ATTENTION--FBIS NOTICE ON

ADOPTION OF PINYIN TRANSLITERATION

XINHUA, the official news agency of the People's Republic of China, on 1 January 1979 adopted the Pinyin system of transliteration for Chinese proper names to replace the Wade-Giles system. FBIS will also adopt the new system, but will provide in parenthesis for a period of 1 month the Wade-Giles version immediately following a proper name the first time it appears within the body of any given item. Proper names in sourcelines of items monitored from PRC sources will also contain both versions for a period of 1 month. FBIS-supplied headlines will contain only the Pinyin version. Items from monitored Taiwan, Hong Kong and Overseas Chinese sources will retain Wade-Giles transliteration, unless these sources also adopt Pinyin.

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PAPAL ENVOY RETURNS FROM CHILE; TALKS ON BEAGLE CONTINUE

Cardinal Samore Arrives

PY301539Y Buenos Aires TELAM in Spanish 1530 GMT 30 Dec 78 PY

[Text] Buenos Aires, 30 Dec (TELAM)--Cardinal Antonio Samore, Pope John Paul II's envoy, who is carrying out negotiations aimed at finding a solution to the southern border conflict, returned to this city today. He arrived on a Chilean Air Force plane at the military sector of Jorge Newbery Metropolitan Airport at 1210. He was met at the airport by Argentine Foreign Minister Carlos Pastor and the apostolic nuncio, Pio Laghi.

Pope's Mediation Possible

PA302336Y Buenos Aires TELAM in Spanish 2310 GMT 30 Dec 78 PA

[Text] Buenos Aires, 30 Dec (TELAM)--Papal delegate Cardinal Antonio Samore announced the the start of a "second phase" in his mission to peacefully resolve the boundary conflict between Argentina and Chile. At the meeting with reporters held this afternoon at the nunciature, the pope's special delegate maintained that this second phase "may well prepare the way" for the mediation of Pope John Paul II, "if both nations formally request it."

Samore, Videla Hold Meeting

PA312302Y Paris AFP in Spanish 2206 GMT 31 Dec 78 PA

[Text] Buenos Aires, 31 Dec (AFP)--It was announced here that Cardinal Antonio Samore and Argentine President Gen Jorge Videla met again today to discuss the Beagle Channel problem. Earlier the president and the commanders in chief of the army, navy and air force had analyzed the latest alternatives in the conflict, as submitted in a proposal from the papal envoy.

In a report on the subject, the progovernment newspaper LA RAZON said that "intense negotiations" are underway, adding that the Military Committee (Videla and the armed forces commanders) analyzed a proposal that might result in a meeting of the Argentine and Chilean foreign ministers with the papal envoy. According to the paper, this meeting might bring about "a mediation by the Vatican."

According to LA RAZON, Cardinal Samore "has perceived the flickering of a tenuous ray of light on the dark horizon of the crisis wrought by the interruption in the negotiations between Argentina and Chile." The paper stressed that the resumption of the dialog will probably come about through a meeting of the two foreign ministers in the presence of the papal envoy in a neutral location which might be Montevideo or Bogota.

Samore To Leave for Chile 2 Jan

PY011713Y Paris AFP in Spanish 1646 GMT 1 Jan 79 PY

[Excerpt] Santiago, 1 Jan (AFP)--The papal envoy who is looking into the Beagle Channel dispute, Cardinal Antonio Samore, will arrive in Santiago at noon tomorrow, Tuesday, it was learned here. Cardinal Samore presently is in Buenos Aires talking with Argentine authorities about their country's position on the border dispute with Chile over the Beagle Channel.

FOREIGN MINISTER HOLDS MEETING TO PREPARE DOCUMENT ON BEAGLE

PY011243Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1210 GMT 1 Jan 79 PY

[Text] Buenos Aires, 1 Jan (NA)--A meeting presided over by Foreign Minister Carlos Washington Pastor began at 0900 this morning in San Martin Palace. A document will be prepared regarding the mission being carried out by Pope John Paul II's envoy, Cardinal Antonio Samore, to reconcile the positions of Argentina and Chile on the southern border dispute. The meeting is being attended by Gen Eduardo Crespi, secretary general to the presidency; Capt Gualter Allara, foreign relations under secretary; Gen Reynaldo Bignone, army secretary general; Rear Adm Eduardo Fracassi, navy secretary general; Brig Basilio Lami Dozo, airforce secretary general; Ambassador Guillermo Moncayo; and Gen Ricardo Etcheverry Boneo (ret).

Meeting Ends

PY011803Y Buenos Aires TELAM in Spanish 1730 GMT 1 Jan 79 PY

[Text] Buenos Aires, 1 Jan (TELAM)--The meeting which began in San Martin Palace under the chairmanship of Foreign Minister Carlos Washington Pastor ended at 1415. It was announced after the meeting that the Military Committee will meet at 1700 in the Olivos residence. Foreign Relations Under Secretary Gualter Allara and Gen Ricarod Etcheverry Boneo, head of the Argentine-Chilean mixed commission, stayed at San Martin Palace, but the secretary generals of the three branches of the armed forces left.

Pastor Says Work Continues

PY020133Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 0112 GMT 2 Jan 79

[Text] Buenos Aires, 2 Jan (NA)--Foreign Minister Carlos Pastor arrived at San Martin Palace shortly after 2200, upon returning from the Olivos residence where he attended a meeting of the Military Committee. On arriving at the Foreign Ministry, he only made terse remarks to the press. "The moment has not yet come to see Cardinal Samore," he said. "We will keep on working: I intend to stay here [at the San Martin Palace]."

Reply May Be Ready 2 Jan

PY020220Y Buenos Aires TELAM in Spanish 0145 GMT 2 Jan 79 PY

[Excerpts] Buenos Aires, 1 Jan (TELAM)--The Argentine Government may respond tomorrow to the proposals made by the papal envoy, Cardinal Antonio Samore, in his attempt to find the necessary points of agreement to peacefully overcome the border conflict existing between our country and Chile. The Argentine reply was reportedly prepared at a long meeting held this morning at San Martin Palace and was later considered by the Military Committee during a 4 and 1/2-hour meeting held at the Olivos residence.

The papal envoy stayed today at the nunciature and, according to authorized spokesmen, he will fly tomorrow to Santiago (Chile) aboard the Tango-01 plane, which was made available to him by the president of the nation.

According to an authorized source, Foreign Minister Carlos Washington Pastor presided over a 5-hour meeting at San Martin Palace "to prepare a document which was to be considered by the Military Committee." The document, which according to authorized spokesmen was prepared at the meeting, is allegedly related to the border conflict with Chile and to the informational mission which is being carried out by Cardinal Antonio Samore.

VIDELA EXTOLS PEACE IN MESSAGE TO POPE

PY292207Y Paris AFP in Spanish 1928 GMT 29 Dec 78 PY

[Text] Buenos Aires, 29 Dec (AFP)--It was disclosed here today that Argentine President Jorge Rafael Videla emphasized his country's willingness to struggle to obtain peace in a message sent to Pope John Paul II. The chief of state asserted: Peace, the true peace which arises from sacred sources, is an observance of the order created by God and, therefore, it is the basis for righteous coexistance at the service and for the protection of human dignity.

The note was sent to the pope as an expression of support from the Argentine Government and people on World Peace Day, which was established by the late Pope Paul VI.

General Videla stated: In a world such as ours, deeply disturbed by a decline in moral standards and outbreaks of violence, peace is constantly threatened. He concluded by saying: It is that peace which, to use your own words, implies a courageous compromise designed to truly promote freedom and justice in the lives of men and peoples, based on the vibrant saying of Pope Paul VI: "To achieve peace, teach peace."

ARMY COMMANDER VIOLA ADDRESSES NEW BRIGADIER GENERALS

PY301601Y Buenos Aires TELAM in Spanish 0830 GMT 30 Dec 78 PY

[Excerpt] Buenos Aires, 30 Dec (TELAM)--The commander in chief of the army, Lt Gen Roberto Eduardo Viola, said last night that "you have the honor of carrying the emblems of generals at a time when the army is carrying on a tense watch to protect the country's inviolable borders." He said: "The unity and clear thinking of the government of the armed forces and its attitude of restraint are a guarantee that a just and honorable solution will be reached to satisfy the high interests of the nation." General Viola was speaking during a ceremony in the Honor Hall of the Libertad building, army commander headquarters, at which sabres were given to the new brigadier generals. He also said that "war is never desirable, but if the interest of the nation required its armed forces to defend its unrenounceable heritage, all Argentines will witness their armed forces' patriotic action. I have no doubt, if there is a need, that you will fulfill your responsibility in this circumstance." He added: "The second requirement is the commitment to the country to fulfill the great objectives of the process of national reorganization in which the army has placed all its efforts." He pointed out that "these objectives undoubtedly interpret the feelings of the majority of the Argentine people. To speak of a stable democracy, of individual rights and freedom is to speak of an Argentine habit."

"The institutional system being implemented gives the reassurance of being a process without personalities, an essential characteristic which will prevent the distortions that have been a sad experience in our political history." He said: "Therefore, we do not arrogate paternalism either as an institution or as citizens. This does not mean that we have renounced the idea that the armed forces, through their appropriate instruments, should exercise their role in the modern concept of the state." He emphasized that "we aim to reach this objective with the necessary cooperation and participation of all citizens who, with faith and patriotism, are supporting this process," and that "because we believe in democracy and are convinced that the Argentina we want must be the work of all, we are not concerned with circumstantial opinions or disagreement. The opinions we differentiate and reject are those which openly or covertly seek the failure of this national process."

SAMORE LEAVES FOR BUENOS AIRES AFTER MEETINGS IN SANTIAGO

Second Day of Meetings

PY291200Y Buenos Aires LATIN in Spanish 1059 GMT 29 Dec 78 PY

[Excerpts] Santiago, Chile, 29 Dec (LATIN)--Cardinal Antonio Samore, Pope John Paul II's envoy, today said that he will return to Chile and Argentina as many times as necessary to prevent the failure of the peaceful mission entrusted to him by the pope. The cardinal, who began his second day in this country, said that the greatest efforts should be made to prevent an eventual confrontation between the two nations of Latin America's southern hemisphere due to the southern border conflict.

The cardinal said: "If public opinion helps, if the two countries use dialog and if they put aside the conflict and polemics, an agreement must be reached. How could it be possible that two peoples who live close to each other, who are brothers and who fought together to gain their independence may now be thinking of confronting each other in a war?"

Monsignor Samore began meeting early this morning with experts on border matters to learn the Chilean position regarding the border conflict. Before joining the meeting, which will be held all day in the Andres Bello Hall of the Foreign Ministry, the cardinal said that basically his mission consists of getting the two parties to talk. He said: "My mission is to become informed, to search for a rapprochement. I do not want to propose; I want to listen to the two parties. I want them to inform me, to tell me what they think and to plan, and then I will try to have them discuss among themselves."

Samore Gives Press Conference

PY291757Y Santiago Chile Domestic Service in Spanish 1630 GMT 29 Dec 78 PY

[Excerpts] Msgr Antonio Samore, the pope's special envoy, stated at a press conference today that an official declaration issued by the two governments would mark the beginning of mediation by the pope. He added that this will be achieved only after certain conditions are fulfilled, among them a halt to the use of threats and avoidance of the use of force.

He added that there is a possibility of a meeting between Foreign Ministers Cubillos and Pastor, but that this would take place in a neutral country. Answering a question, Msgr Samore said the meeting may take place in Montevideo.

The pope's envoy admitted that the two countries have great differences which prevent them from arriving at a basic understanding. But to achieve this, he added, both parties must make [words indistinct]

Regarding the conditions under which the pope would agree to mediate, Msgr Samore categorically stated: [Begin recording] An official declaration [words indistinct] and a formal request to Pope Paul VI [as heard]. [end recording]

Cardinal Samore declined to say whether his mission has failed, and stated that he is always optimistic. He will hold a second round of meetings this afternoon with Foreign Minister Cubillos.

Further on Press Conference

PY292114Y Buenos Aires LATIN in Spanish 1846 GMT 29 Dec 78 PY

[By Raul Duque]

[Text] Santiago, Chile, 29 Dec (LATIN)--Today Pope John Paul II's peace envoy, Cardinal Antonio Samore, heard Chile's position on the territorial conflict which is affecting the two countries in the southern area of the continent. From the beginning of the second day of his stay in Chile, the cardinal heard Chile's viewpoints as explained by local experts in border matters.

After talking with journalists at the residence of the apostolic nunico and lunching with his aides, Msgrs Faustino Sainz Munoz and Fiorello Cavalli, the cardinal went back to the Chilean Foreign Relations Ministry to hear further details of this country's position. "The current stage is one of information-gathering and we have supplied his eminence with the information he needed," said Foreign Minister Hernan Cubillos.

According to information released, Cardinal S[illegible]e showed some interest in obtaining more details about certain specific matters, thus g[illegible]ng rise to a dialog with those who were briefing him. The meeting was attended by, among others, Foreign Ministry advisers Pedro Daza, Enrique Berstein, Francisco Orrego Vicuna, Carlos Valenzuela, and by the director of planning of the Foreign Ministry, Lt Col Ernesto Vidella.

From the Foreign Ministry, Cardinal Samore went to the apostolic nuncio's residence for a press conference. At that opportunity he indicated that the talks held so far with the military governments of Chile and Argentina have been "clearcut, frank and free."

The cardinal refused to answer a question regarding the contents of an Argentine note which conveyed an alleged change in the territorial demands posed by the Argentine Government so far.

A journalist asked him: "Did you receive a proposal to arrange joint exploitation of territorial waters and a withdrawal of Argentina's claims over the three southern islands?"

"I cannot give you a precise answer because so far I have only been listening. It was not a proposal but a report," Samore indicated.

"However, it does contain a change?" the journalists insisted.

Cardinal Samore replied: "Of course. In any understanding something must be changed by both sides, for otherwise there is no rapprochement between the parties. But please do not ask me any more because I cannot answer you."

These were the highlights of the dialog between the journalists and the cardinal:

[Question] How much has been done to establish a mechanism leading to mediation?

[Answer] We have not reached this point. I am merely gathering information. Later we will deal with the establishment of a mechanism, but not yet.

[Question] Are the differences between the two countries great?

[Answer] They are great but we are working to reduce them and to allow the two parties to reach an understanding. However, as everyone knows, the differences are great.

[Question] Have you found a desire for peace in both governments?

[Answer] Yes, I am here because they asked for it, but it is obvious that the existing difficulties cannot be overcome in 1 day.

[Question] What is the meaning of the Catholic Church's intervention in the conflict between Chile and Argentina?

[Answer] If it works out it will be a great thing. The church will have a more successful image for the world. The very fact that the holy father announced this in a speech to the world means that he has acknowledged its significance. It is not something that crops up every day, every year or every 10 years. Therefore it has a great meaning and, God willing, it will be a success.

Samore Leaves for Buenos Aires

PY301406Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1356 GMT 30 Dec 78 PY

[By NOTICIAS ARGENTINAS special correspondent]

[Text] Santiago, Chile, 30 Dec (NA)--The papal envoy, Cardinal Antonio Samore, left for Buenos Aires at 1023 this morning from the local airport of Padahuel. Cardinal Samore left Chile on a Chilean Air Force plane, and it is estimated that he will arrive in the Argentine capital at about 1230.

[Paris AFP in Spanish at 1332 GMT 30 December reports from Santiago that Cardinal Samore "left for Rome at 1315 GMT and will make a technical stopover in Buenos Aires."]

GOVERNMENT AGAIN ASKS FOR POPE TO MEDIATE BORDER ISSUE

PY301800Y Buenos Aires LATIN in Spanish 1736 GMT 30 Dec 78 PY

[Excerpt] Santiago, Chile, 30 Dec (LATIN)--It was reported here today that Chile has confirmed to Cardinal Antonio Samore its wish that Pope John Paul II be the mediator in the bitter territorial conflict with Argentina. Foreign Minister Hernan Cubillos told newsmen shortly after the papal envoy left for Buenos Aires that during the talks in Santiago it was repeated that this country desires the direct intervention of the pope to prevent an armed conflict between Chile and Argentina.

At the beginning of December, Chile and Argentina were in agreement about Pope John Paul II's intervention, but the idea came to nothing because the Argentine Government placed conditions on the agreement in principle and insisted on limiting the mediator's powers.

FOREIGN MINISTER REAFFIRMS CONFIDENCE IN SAMORE MISSION

PY301503Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1412 GMT 30 Dec 78 PY

[By NOTICIAS ARGENTINAS special correspondent]

[Text] Santiago, Chile, 30 Dec (NA)--Chilean Foreign Minister Hernan Cubillos has stated his belief that the visit by the papal envoy, Cardinal Antonio Samore, "has been tremendously important."

Cubillos added that "he has been informed about everything. He takes with him all he came to find." Cubillos made these remarks at the airport where he had gone to say goodby to Samore, who left for Buenos Aires this morning.

The Chilean foreign minister did not reveal if there is any possibility of a new round of talks with Argentina regarding the border conflict in the south, saying that "the Chilean Foreign Ministry is waiting for any requests which may be made" by the pope's envoy. He added that "we are not closed to any initiative" and stated his "confidence and hope" in the cardinal's peace mission.

PINOCHET REPUDIATES EXTERNAL THREATS IN BEAGLE DISPUTE

PA0102017 Buenos Aires LATIN in Spanish 0055 GMT 1 Jan 79 PA

[Text] Santiago, Chile, 31 Dec (LATIN)--President Augusto Pinochet said tonight that Chile will defend its territorial integrity in its dispute with Argentina and stressed that he will not be intimidated by threats from abroad. In a yearend message to the 11 million Chileans, Pinochet added that Chile will never abandon its stand of seeking a peaceful solution to territorial disputes with neighboring countries.

In the most salient part of his speech, General Pinochet said: "We have had to face serious difficulties in our relations with Argentina as a result of our firm determination to keep intact our national dignity and sovereignty while strictly adhering to legal standards.

"We once more reiterate our traditional aspiration for peace and our desire that the differences that separate us today will be resolved through methods corresponding to our republic's honor and culture.

"However, I can likewise assure everyone that all Chileans, united as one, know how to insure respect for our legitimate rights, without letting ourselves be intimidated by any threats regardless of their origin or form. This unwavering position applies to all hostile actions against Chile.

"If in the past we never yielded to pressures or threats of any kind, neither will we now or in the future, displaying the serenity born from knowing that our position is just and right."

MORE CHILEANS REPORTEDLY UNDER DETENTION IN ARGENTINA

PY291336Y Paris AFP in Spanish 0240 GMT 29 Dec 78 PY

[Text] Santiago, Chile, 28 Dec (AFP)--It was reported here today that about 38 Chileans, among them a former senator and a high-ranking executive, are being detained by Argentine police authorities. Local press sources reported that among the persons being detained in Argentina are former Senator Raul Morales Adriasola and the president of the national airline, Jaime Arrau.

It was learned that Arrau has been under detention since 7 December and that the charges brought against him are not known since the summary was not made public. Moreover, Morales Adriasola is being detained in the Argentine Province of Neuquen.

The Arturo Prat Club, among whose members are important Chilean executives, has sent a telegram to Argentine President Jorge Rafael Videla requesting the immediate release of the 38 Chileans. Furthermore, the Chilean institution agreed to send a commission of Chilean lawyers to Burnos Aires to start the defense of the Chileans.

According to reports, the detentions are part of the bellicose campaign some Argentine authorities are carrying out because of the border dispute between Chile and Argentina.

PINOCHET HOSTS DIPLOMATS, PRAISES POPE'S ACTION

FI292309Y Paris AFP in Spanish 2015 GMT 29 Dec 78 FY

[Text] Santiago, Chile, 29 Dec (AFP)--Chilean President Augusto Pinochet expressed gratitude here today for the intervention of Pope John Paul II as a means of overcoming the Beagle Channel border dispute with Argentina. Pinochet made these remarks during a yearend meeting with members of the diplomatic corps accredited to Chile.

"On this solemn occasion, I could not help but mention the vibrant words and the dedicated action on behalf of peace by the holy father, John Paul II, as well as by many friendly governments," the chief of state said. "These words and these actions," he added, "have been received by the Chilean people and their public servants with profound gratitude."

Without naming specific countries or situations, Pinochet acknowledged that the links between Argentina and Chile are experiencing difficult times.

LA SEGUNDA SAYS SAMORE MUST FAVOR CHILE'S POSITION

FY300105Y Paris AFP in Spanish 2322 GMT 29 Dec 78 FY

[Text] Santiago, Chile, 29 Dec (AFP)--In view of the evidence, papal envoy Antonio Samore will have to admit to the fact that the Beagle Channel conflict is a problem created by Argentina, according to the evening newspaper LA SEGUNDA.

The newspaper of the EL MERCURIO chain stated that the solution to the conflict between Chile and Argentina in the continent's southern cone depends solely on the Buenos Aires government.

The solution depends solely on Argentina, if that country will accept the norms and decisions handed down by international law. The only thing that Chileans cannot be told is that we should become accomplices of its transgressions, the evening paper emphasized.

In its editorial, LA SEGUNDA wrote that sources from the Argentine Foreign Ministry say that the most their government could concede is to recognize Chilean sovereignty over Nueva, Picton and Lennox islands. In exchange for this recognition, Chile would yield to Argentina some of the islands further south and share sovereignty over Cape Horn, the paper said.

It added: It is truly absurd to talk about such concessions since these proposals yield nothing to Chile.

As has been repeadly stated, Nueva, Picton and Lennox islands have always been under Chilean rule and inhabited by Chileans. It concluded by saying that the treaty of 1881 reaffirmed that they were Chilean.

BRIEFS

CREDIT WITH PERU--A reciprocal credit for $10 million has been approved. The agreement was signed a couple of weeks ago in Santiago. The credit will be used for imports and exports of nontraditional products from and to Peru. The Central Bank will sign a similar credit with the Colombian Central Bank. [Text] [Santiago Chile Domestic Service in Spanish 1000 GMT 27 Dec 78 FY]

PRESIDENT DELIVERS YEAREND SPEECH TO NATION

PA311230Y Bogota Cadena Radial Super in Spanish 0100 GMT 31 Dec 78 PA

[Yearend speech to nation by Colombian President Julio Cesar Turbay Ayala at presidential palace in Bogota--no date given; presumably recorded]

[Excerpts] I do not wish to praise economic activities in the closing year, although I could well do so, because the success we report now is the joint result of two administrations and not the exclusive result of my administration's work.

There was constant prudent handling of the means of payment and a budget marked by restraint [con criterio contraccionista]--which is not to be desired in the future, but in the present permitted us to avoid high inflation. Payment means were restrained until they were below 30 percent and inflation was reduced to 20 percent for white-collar workers and 19 percent for blue-collar workers. At the same time, the economic growth rate increased significantly from 6 percent to 8 percent, a rate never before attained during the 1970's. By the same token, the mean unemployment rate dropped from 9.4 percent to 8.2 percent, signifying that many new people entered the labor market. The cost of living halted its unbounded race thanks to shrewd handling of funds and a good food harvest which, due to the policy of regulating inventories, insured stable prices that were the predominant factor in avoiding a rise in staple prices.

All economic indicators in 1978 are satisfactory. Nine million 60-kg bags of coffee were exported this year, an unprecedented figure in our country's export history. It is estimated that the 1978 harvest surpassed 11 million bags, and all of it was purchased by the National Federation of Coffeegrowers without the (?Bank) of the Republic having to put up a single peso. These exports produced $1.6 billion which, added to the value of the other exports, permit us to report with pride a total of $2.5 billion [in revenue] in 1978, excluding the services sector. In turn, international reserves totaled $2.5 billion, which permits us to have ample [word indistinct] to finance essential projects.

Almost all revenue [sources] reported sizable increases over 1977. We must get accustomed to the country's extraordinary economic growth. Ours is no longer a modest economy; it has become a big-market economy in which the coffee harvest alone was worth 53 billion pesos.

Relations between the national government and the Federation of Coffeegrowers are governed by a contract which determines within a coordinated economy the obligations of each. The contract was recently renewed under conditions which, without harming the interests of the coffeegrowers, improve the government's position in the committee, broaden the basis of its reports, increase state control and facilitate supervision by the office of the comptroller general of the republic over the operations of the National Coffee Fund. In a similar manner the criterion that will be followed regarding state and federation property in the event of a liquidation was also clearly spelled out.

Although it was not possible to reach an agreement in the National Wage Council, the desire to trim existing categories to two was clear. This measure was adopted in the recently issued decree which reflects the priority aspirations of the two labor confederations.

Labor participation in the gross national product has been relatively meager and even reduced. In a few years it went from 38.3 percent to 32.4 percent. This decline seems to be related to spiraling inflation. The fact that the current increase in the minimum wage is much higher than the inflation rate contributes to increasing labor's percentage participation in the gross national product.

In the struggle against drug traffickers I can draw a very satisfactory picture. In an unprecedented struggle, those who are engaged in the narcotics traffic have been fought by air, land and sea, and 235 Colombian nationals and 87 foreigners have been arrested. At the same time 143 short-and long-range weapons, (?5,702) rounds of ammunition, 44 land vehicles, 25 aircraft, 41 vessels and 6,500 bundles of marihuana worth an estimated 568 million pesos have been confiscated. Also, 215 hectares of planted marihuana have been destroyed in the Atlantic coast region.

In other parts of the country, cocaine worth 127 million pesos, laboratories worth 1.35 million pesos, marihuana worth 79 million pesos and planted marihuana worth 828 million pesos have been confiscated for a total of 1.47 billion pesos. [figures as heard]

The military forces have had clashes with armed subversive groups. During these actions they arrested 22 criminals, killed 15 and captured 91 guerrilla collaborators. They also seized 15 rifles, 46 carbines, 633 revolvers, 211 pistols, 91 [word indistinct] and 90,160 rounds of ammunition.

No democratic government wants to rule by special measures. I would have preferred not to use the state of siege or to release the security statute. The two measures had to be adopted because of the circumstances, contrary to the government's wish.

We would not like to report the absurd confrontation between brothers. That is why I, speaking from the palace of Colombian presidents and encouraged by humanitarian feelings, urge those preaching violence to put down their weapons. I urge all to work together for Colombia's greatness.

We must exploit our abundant water, coal and gas resources in view of new adverse international factors which include the impact that the oil price hike will have on our trade balance. All these factors will serve to stave off the energy crisis which would otherwise knock at our doors.

As is known, [words indistinct] I addressed the presidents of Argentina and Chile to voice our American concern over the deterioration of their relations. At the same time I expressed the hope of my government and the Colombian people for the success of the mission entrusted by His Holiness John Paul II to His Eminence Cardinal Samore. To us, the disciples of the liberator, America is the fatherland. Anything that happens anywhere in our hemisphere (?is of concern to us). It must not be indulgently tolerated that two nations of the Latin American family may eventually [word indistinct] as is the fratricidal clash. We do not hesitate to offer our help and full support to those formulas that Cardinal Samore may find adequate and fair in order to solve the differences between Argentina and Chile. No one would really understand a war in this continent of peaceful solutions.

JUSTICE MINISTER DEFENDS SECURITY STATUTE

PA292316Y Paris AFP in Spanish 1734 GMT 29 Dec 78 PA

[Text] Bogota, 29 Dec (AFP)--Justice Minister Hugo Escobar today defended the government's widely discussed security statute. The Colombian Supreme Court has declared three articles unconstitutional.

According to the minister, as a result of the statute which was issued in September, "the armed groups have retreated and are hurt. The urban guerrillas are dying and the rural ones are staying far away from the public order--which is the basis of the democratic and republican institutions of a country." The security measures have been rejected by various sectors, especially by the left, for allegedly violating human rights in Colombia. Escobar was one of the authors of the security statutes.

CFP LEADER REPORTS 27 DECEMBER COUP ATTEMPT

PA300211Y Quito Cadena Amarillo, Azul y Rojo in Spanish 2330 GMT 29 Dec 78 PA

[Text] Guayaquil, 29 Dec--Asaad Bucaram, the leader of the Concentration of Popular Forces [CFP], stated last night that a coup d'etat was on the verge of taking place 2 days ago. He did not provide details. Speaking in a program, Bucaram said that the attempt occurred on Wednesday [words indistinct] of the legal reorganization of the country. Although he did not give any details [words indistinct] Bucaram stressed that the oligarchy once again (?is trying to establish a de facto regime).

GOVERNMENT MINISTER REVEALS DETAILS OF CALDERON'S MURDER

PA311634Y Quito Voz de los Andes in Spanish 1230 GMT 31 Dec 78 PA

[Text] Government Minister Rear Adm Victor Hugo Garces has reported that there are indications that civil employees (?Cerdera) and Leon were connected with police officers Maj Jaime Hermosa Estola and Capt Vinicio Pellarrera. In a report made last night on a national television network, Minister Garces said that the involvement of the two officers, if it exists, will be established and revealed after the general police command issues the pertinent orders, because they are police officers in active service, and the police have their own trials courts.

In his statement Garces announced several details of the murder of Abdon Calderon Munoz, former presidential candidate and political leader. He reiterated that the government was not involved and that it is the party most interested in solving the case. He noted that it was lawyer Abel Salazar who asked the participants to beat and shoot Calderon, although he denies involvement. The minister repeated that student Luis Garcia shot Calderon three times from a distance of 1 meter after he had hit him on the head with the butt of his weapon.

Government Officials Removed

PA311635Y Madrid EFE in Spanish 0152 GMT 31 Dec 78 PA

[Excerpts] Having concluded this first phase of the investigations on the assassination of the topmost leader of the liberal Alfarist Radical Front, a complete report on the case has been turned over to judicial authorities.

The minister insisted that the government is the party most interested in resolving the incident once and for all. He explained that it was precisely because of this that as soon as evidence was discovered that security office personnel were implicated in the case, the Supreme Council of Government "ordered the administrative changes needed at various levels."

With the mention of these changes he was referring to the unexpected removal from office of previous Government Minister Gen Bolivar Jarrin, whom he replaced only 10 days ago, as well as the dismissal of the general commander of police and the chief of the criminal investigation service in Guayaquil, where the assassination occurred. According to Garces, these changes were justified by "the need to speed up the investigations and continue them in total freedom and with the same degree of impartiality, rectitude and clarity that the armed forces government has shown in all of its activities."

According to the minister's report, the leader of the plot was lawyer Abel Salazar, the well-known leader of a university terrorist group, currently under arrest.

PEREZ SIGNS JOINT STATEMENT WITH DOMINICAN PRESIDENT

PA292236Y Madrid EFE in Spanish 1557 GMT 28 Dec 78 PA

[By Rosendo Sepulveda]

[Text] Santo Domingo, 28 Dec (EFE)--Venezuela and the Dominican Republic have agreed to promote the development of mutual financial investments in joint projects in which the Dominican Republic would hold 51 percent of the shares.

A communique issued at the end of President Carlos Andres Perez' visit to this country states that the Venezuelan leader is confident that the new Venezuelan administration, which takes office in March, will convert the traditionally beneficial relations between the two countries into new specific commitments.

At the end of the two working sessions held yesterday during Perez' short visit to the country which lasted a little more than 12 hours, the two statesmen agreed on the need to strengthen the inter-American system in order to adapt it to the demands of the present political, economic and social situation in Latin America.

Venezuela made a few concessions, including the elimination of an old $3.8 million debt of the National Institute for Price Stabilization [Instituto Nacional de Estabilizacion de Precios--INEP] for not delivering a shipment of string beans to the Venezuelan Agricultural Marketing Corporation. It also postponed the payment of a $60 million loan for 2 more years. The loan, which was granted in 1976, was made to finance oil imports for that year on the occasion of Perez' first visit to the country. The loan was to expire in February 1979.

The South American nation also agreed to offer full support to the Dominican Government's efforts to obtain financing for development programs at international and Venezuelan organizations. The possibility was left open that the Dominican Republic may obtain Venezuelan capital to meet its urgent balance of payments commitments for which it has already obtained a partial financing of 65 million [currency not specified] from foreign banks at Eurodollar rates.

The communique also cites the possibility of studying more efficient operating methods that will permit price modifications for the Dominican oil refinery.

Regarding the present sugar agreement, Venezuela increased its minimum annual quantity to 150,000 tons in addition to 50,000 additional tons and over the planned 230,000 tons for 1979. [sentence as received] The sugar agreement will be in effect until 31 December 1981.

The presidents' joint statement was signed last night in the Ambassador's Room at the airport before Perez boarded his plane to Jamaica.

Returns From Jamaica Summit

PA301601Y Caracas Radio Continente Network in Spanish 1000 GMT 30 Dec 78 PA

[Text] President Carlos Andres Perez returned to the country early this morning from a meeting in Jamaica with top-ranking dignitaries of developed countries. During that meeting, President Carlos Andres Perez spoke out for the rights of the developing countries. The president outlined the terms which should prevail in trade relations between the industrialized countries and countries of the so-called Third World.

President Carlos Andres Perez also defended the position of the OPEC countries regarding the increase in oil prices.

During this tour, President Perez also visited the Dominican Republic, where he met with President Antonio Guzman and high-ranking officials of the Dominican Government.

Voices Optimism

PA3104211 Madrid EFE in Spanish 2231 GMT 30 Dec 78 PA

[Text] Caracas, 30 Dec (EFE)--President Carlos Andres Perez today said that the Jamaica "summit" promoted understanding and identified important positions of the Third World and industrialized nations.

In his first meeting with reporters following his return from Jamaica, Perez expressed optimism in the results of the meeting for having achieved mutual understanding of the problems affecting the world's economy.

"The conclusion reached was, in fact, that the industrialized world cannot solve its serious economic problems without expanding production markets and that such expansion can only be achieved in the Third World market."

He added that the problem of world inflation was another large issue that was discussed at the meeting since it "affects both the developed and developing nations."

Concerning the recent oil price increase he said that they discussed at the meeting all the problems affecting the world economy. Perez said that "we firmly established the position of the member nations of the OPEC and our position within the Third World as an instrument of dialog."

He concluded by emphasizing that "the meeting was frankly positive. Now we will try to project those understandings and identification of positions on the international organizations--which are the only ones that can provide solutions and establish positions in a definitive manner."

MINES MINISTRY REPORTS OIL PRODUCTION FOR 1978

PA3016022 Caracas Radio Continente Network in Spanish 1000 GMT 30 Dec 78 PA

[Text] National oil production for this year was 2,162,745 barrels a day--a reduction of 76,869 barrels a day from 1977, when oil production was 2,239,613 barrels a day. [figures as heard] This information is reported in the Energy and Mines Minister weekly newsletter.

PRESIDENT ROYO GIVES NEW YEAR'S ADDRESS

PA011617Y Panama City Domestic Service in Spanish 1201 GMT 1 Jan 79 PA

[New Year's "Speech to the Nation" by Panamanian President Aristides Royo on 1 January 1979--place not given; presumably recorded]

[Excerpts] Throughout 75 years of republican life we have traveled a long road filled with difficulties, failures, hopes and also successes. The revolutionary decade which began with the 1968 movement has been rich in valuable political and social experiences and has been a source of inspiration and prudent lessons. The colonial wall is disapperaring due to a better and broader sense of justice on the part of incumbent U.S. Government leaders who, under President Carter's leadership, were able to convince the American people of the fairness of our cause and the reason for our longings. However, we must not stop and merely contemplate our victories, no matter how recent and important they may be. Insufficient economic, social and cultural development concerns us deeply at the same time that it constitutes a challenge, an enormous challenge that we accept with enthusiasm and hope. The national desire to create political conditions that will insure a broader national consensus is also developing through new participation mechanisms that are contained in constitutional amendments.

Let us now look clearly and honestly at future tasks and the country we have to build in the remainder of the 20th century. I can understand that Panamanians at large eagerly and optimistically expect a national project with new historic goals which will set national objectives and courses worthy of the country's grandeur, a national project that harmoniously incorporates continuity and change. Continuity means basing oneself on the experience and achievements of the revolutionary decade. Change entails setting new objectives, methods and programs to achieve the noblest aspirations of Panamanians and the national conglomerate. [as heard]

This administration is not indifferent to the concern and apprehensions that Law 95 causes in labor sectors. On the contrary, we feel that the voice of labor and the attitude of the productive forces must be heard and valued to the fullest extent. The government also fully realizes the security and stability that private business requires to develop its investments in a climate of progress and social peace.

To tackle the high cost of living and unemployment and to insure integral national development we propose eight intermediary medium-term [as heard] goals for our 6-year term: 1. Growth of national wealth and better distribution of it at regional and social levels. 2. Creation of more jobs for the citizens and increases in the construction of decent homes within reach of the Panamanian family budget. 3. Real democratization through greater participation by the population in political decision-making mechanisms. 4. Better organization of the state apparatus to tailor it to development needs and its national mission. 5. Qualitative improvement in education and enrichment of cultural and spiritual experiences. 6. Respect for individual and collective human rights and maintenance of social peace. 7. Strengthening of ties with the international community on the basis of mutual respect, Panama's political independence among nations, its status as a member of the nonalined countries and support for peoples' self-determination, respect for human rights and opposition to racism and discrimination, and more balanced and closer ties with the United States of America in the context of the new relationship that will begin this year. 8. Better use of our natural resources and conservation of the national environment.

The economic sectors will have high priority in our work program. We will insist on the revitalization of those activities which produce the most jobs and wealth.

Through its enterprises the state will have to set an example of efficiency and productivity. Thus, the financial commission will evaluate the capability of the state enterprises and the production programs to determine which should continue and which are not appropriate for the community or do not perform an adequate social function. This year the tax reform commission will also study the mechanisms to make the tax system more just, equitable and efficient without levying new taxes, so that this system can serve as a better instrument of national development.

In the agricultural and livestock sector we will promote integrated rural development areas and projects that are truly productive and provide job openings in the countryside. We will also redesign a policy of support prices for producers that is based on an estimate of supply and demand to avoid surplus production that cannot compete on the international markets and scarcity that brings costly food imports. We will also implement a program to promote export goods such as bananas, coffee, cacao, oil palm in Chiriqui, the central provinces and Bocas del Toro. We will also maintain incentives for the production of basic grains, particularly corn, sorghum and beans, and we will try to reduce sugarcane production costs and seek other agro-industrial alternatives.

The Cerro Colorado project has reached its crucial stage. Following the completion of a long and careful feasibility study which proved our technical capability and the existence of a copper deposit with an estimated value of dozens of billions of dollars, we will begin the task of obtaining financing for the project. It is a very delicate task because it must meet two requirements: That of satisfying the economic needs of the project and that of minimally affecting the country's funds. Not only is the Cerro Colorado project possible, it would not commit the country's public funds or affect the implementation of the government's regular investment program. The task is delicate and difficult, but we feel optimistic and we think that any date in 1979 may mark the beginning of this great project. It would place us in a prominent position in international copper mining and would give us a formidable tool for development and economic independence.

1979 will be the year of the transportation sector. The prompt recovery of the country's main ports, the Panama Railroad, the completion of the Vacamonte port and Tocumen airport and our participation in the Panama Canal Commission will allow us to create a more complete infrastructure of the transisthmian transportation system which will be handled in a more complete manner. Moreover, we will continue the programs to improve domestic transportation and communications with the construction and maintenance of roads, ports and airports throughout the country and the expansion of the telecommunications network.

To foreigners who reside in Panama and who contribute significantly to the country's development, we repeat our assurance of tranquillity for their peaceful coexistence within law and order. To U.S. citizens working on the canal who will be under national jurisdiction beginning 1 October 1979, [we state that] we will welcome them with the same spirit of tolerance, cordiality and peace which has characterized Panamanians, a cosmopolitan people, for many centuries.

On the international level, Panama's historical struggle to attain its national independence and establish a more balanced relationship with the United States has achieved positive results. Panama now presents itself as a mature nation capable of responsibly participating with the United States as a partner in the canal enterprise. 1 October will be a historical and unforgettable date when we will finally enter the Canal Zone with our heads held high and with dignity. Our jurisdiction will be strengthened as the colonial presence, which is the present Canal Zone Government, disappears.

The national patrimony will be greatly enriched with land, installations, housing areas and activities, particularly with the ports of Balboa and Cristobal and the Panama Railroad, which will be returned to Panama to promote the country's development.

As territorial owners who exercise full jurisdiction, we must also be ready on that day to render, in what used to be the Canal Zone, the public services which are currently provided to the remainder of our territory, such as: health, education, postal services, police, courts, fire departments, transportation, telecommunications, garbage collection, electricity and many others. From that time we will also implement the policies on administration, labor, taxes, land use and the granting of concessions that are most beneficial to the country's economy.

Looking to the future, we now list the great action guidelines that the government will follow regarding the main aspects of the recovery of the Canal Zone and the collective use of these benefits:

1. The state's policy will be that of protecting the labor achievements of Panamanian workers in the Canal Zone after many efforts and sacrifices.

2. We will prepare procedures for the transfer of business activities to our national jurisdiction, guaranteeing the adequate participation of the private sector and a balanced relation between management and labor.

3. We will soon issue a program that will meet the demands of Panamanians who reside in Cristobal, Paraiso, Rainbow City and Pedro Miguel according to treaty specifications.

4. We will allow nonprofit professional and labor organizations to continue their activities and occupy the necessary land through licenses which will be sold for nominal fees, as is done throughout the country.

5. We will continue to prepare ourselves for the responsibility of efficiently operating the ports of Balboa and Cristobal and the Panama Railroad.

6. We will take action in order to avoid the disorderly occupation of the returned areas and to protect the canal hydrographic basin so that tree felling in that great forest which protects the canal will not continue. Therefore, our natural resources will be better preserved. We have 39 weeks from now until 1 October 1979 to complete the plans for the implementation of the canal treaty. All Panamanians are fully committed in these technical tasks. Government agencies will continue improving and preparing their administrative structures in order to handle greater responsibilities in what will have been the Canal Zone. More than 600 distinguished Panamanians--who represent the country's main civic, labor and professional associations--have enthusiastically offered to continue advising the 47 specialized work committees which are working with great efficiency and dedication. Panamanian and U.S. representatives will continue to meet in order to guarantee the efficient implementation of the treaty within the spirit of friendship and cooperation which made the treaty possible.

We are convinced of the Panamanian people's ability to face the challenges of their history and to succeed once again during this year. The complete success of the plans for the implementation of the treaty and the proper and peaceful entry in the Canal Zone on 1 October 1979 will be achieved with a sense of priority and individual and collective discipline.

Panamanians, today is a day to fully meditate on feelings of unity and action. The task ahead is important and difficult: To reactivate the economy, create new jobs, generate wealth and include each Panamanian in the political decisions which affect his present and future. This task demands a great sense of unity and a special working responsibility.

BELIZE

UNITED DEMOCRATIC PARTY DOMINATES DISTRICT BOARD ELECTIONS

FL291430Y Belize City THE REPORTER in English 24 Dec 78 p 1 FL

[Text] In country-wide district board elections held Wednesday, December 20, the United Democratic Party [UDP] dominated the polls, taking control of Corozal, San Ignacio and Santa Elena, Dangriga, Monkey River and Punta Gorda towns. The PUP [People's United Party] were able to hold on to Orange Walk and Benque Viejo, but with greatly reduced pleuralities.

It was a massive ballot, with more than 90 per-cent of the electorate participating, and they gave the UDP a massive vote of confidence. With Wednesday's show of strength the UDP now controls 39 of the 58 municipal seats including Belize City's 9.

In San Ignacio and Santa Elena the UDP victory was especially impressive in view of the Shoman influence and the large amount of election dollars floating about before polling day. For the left-leaning attorney general the election was a crucial test of strength, and he lost--not by a few votes but by a percentage of 55-45.

In Punta Gorda also, where the Toledo Progressive Party [TPP] of Mr. Alejandro Vernon has been seeking to develop a secessionist movement, the voting was revealing. None of the TPP candidates polled more than 38 votes and each lost his deposit. Despite the three-way race the UDP routed the PUP 5-2.

The other interesting election result was in Orange Walk where the General Workers Development Union, which has designs to establish its own political party, sponsored independent candidate Edwardo Salas, a self-acknowledged Castroite. Salas polled a little more than 200 votes--some 700 ballots short of the lowest rated party candidate.

The election result has spread pandemonium among PUP planners who know they have to face general elections in a year's time. The rejection at the polls by so many and in the north, center and south not only denied the party of the mandate it had so resolutely sought, but deprived them of the one they held. The party has been isolated and encircled, with Orange Walk as the only enclave of strong PUP influence in the entire country. The Benque Viejo vote, thought strong enough to return seven PUPS to office, was so close it could have gone either way--give or take a few votes.

Political observers now think the premier will not risk a general election early next year.

COSTA RICA

CARZO SENDS TELEGRAM TO OAS PERMANENT COUNCIL CHAIRMAN

PA291405Y San Jose Radio Reloj in Spanish 1200 GMT 29 Dec 78 PA

[Telegram from Costa Rican President Rodrigo Carazo to Fabian Redhead, chairman of the OAS Permanent Council; date not given--read by announcer]

[Text] The Government of the Republic of Costa Rica addresses your excellency in this telegram to express in a respectful and clear fashion its firm intention to maintain peace and tranquillity despite the aggression carried out against our country. The council knows of our current request for a meeting of the consultative committee of the Inter-American Reciprocal Assistance Treaty (TIAR).

It is precisely on behalf of peace, which affects the whole continent, that we appeal to this high organization, fully trusting that the American nations will not remain indifferent to the threat of invasion and pressure being faced by our country. It also declares that only in extreme circumstances and in accordance with the main principles of international justice will it resort to its legitimate defense.

On this occasion, I reiterate to you my deepest consideration and appreciation.

[Signed] Rodrigo Carazo, president of Costa Rica

GOVERNMENT COMMENTS ON OAS COUNCIL RESOLUTION

PA310430Y San Jose Radio Reloj in Spanish 0100 GMT 31 Dec 78 PA

[Text] San Jose--The Costa Rican Government considers the OAS resolution to establish security mechanisms to prevent a possible invasion by Nicaragua as very important to the nation. The council decided yesterday to provisionally assume the role of consultative organ in accordance with Article 12 of the Inter-American Reciprocal Assistance Treaty (TIAR).

Costa Rica stated before the OAS Permanent Council that Nicaraguan President Gen Anastasio Somoza's statements during a news conference in Managua on 27 December, in which he threatened to cross the Costa Rican border, imply a serious threat to the peace of the Central American region and to the sovereignty and territorial integrity of Costa Rica.

OAS ENVOY VISITS BORDER AREA, TRAVELS TO MANAGUA

PA292014Y Paris AFP in Spanish 1817 GMT 29 Dec 78 PA

[Text] San Jose, 29 Dec (AFP)--OAS representative Juan Mimo said here today that OAS observers might arrive in Costa Rica by mid-January to supervise the border area with Nicaragua. Mimo was sent to Costa Rica by OAS Secretary General Alejandro Orfila to verify accusations that the Sandinist National Liberation Front (FSLN) guerrillas are using Costa Rican territory to attack Nicaraguan military forces.

Costa Rica asked the OAS to promptly send a civilian observer after Gen Anastasio Somoza threatened to invade Costa Rica to put an end to what he considered aggression carried out with the connivance of the Costa Rican Government.

Yesterday, Mimo went to the border area accompanied by Costa Rican Civil Guardsmen and today he went to Managua. He will be back in San Jose tomorrow to talk to Rafael Angel Calderon Fournier, foreign affairs and worship minister.

The border between the two countries remains closed and this is causing a lot of problems because of the usually heavy traffic during this time of the year between the two Central American countries.

MINISTER ECHEVERRIA DENIES KNOWLEDGE OF KIDNAPED NICARAGUANS

PA300247Y San Jose Radio Reloj in Spanish 0100 GMT 30 Dec 78 PA

[Text] Public Security Minister Juan Jose Echeverria has said that he has no knowledge of kidnaped Nicaraguans in Costa Rican territory. He said this in response to charges made by Somoza concerning kidnaped Nicaraguans being held in Costa Rican territory.

The minister said that he has no knowledge of the situation but he believes that the kidnapings occurred in Nicaraguan territory because the Sandinists currently occupy an area of more than 1,000 square km in the [Nicaraguan] border region and maintain strict control of activities there.

CARDENAL MAY BE EXPELLED FOR VIOLATING RIGHT OF ASYLUM

PA291949Y San Jose Radio Reloj in Spanish 1730 GMT 29 Dec 78 PA

[Text] The public security minister today issued a warning to Nicaraguan poet and priest Ernesto Cardenal in connection with his accusations yesterday that several high-ranking public force officers, a chaplain and a deputy are serving as a base of support for Somoza's repression within the framework of the so-called cleaning up operation that has been underway at the border.

Asked this morning about Father Cardenal's statements, the public security minister publicly warned that Cardenal might be expelled from the country if he continues attacking Costa Rican authorities. Commenting on Father Ernesto Cardenal's accusations and charges against several public force authorities during a news conference held yesterday, Minister Juan Jose Echeverria Brealey said that Cardenal is violating the right of asylum. In this regard, the minister noted that any verbal attack by a foreigner on Costa Rican authorities constitutes a political act. He added that with his political statements, Sandinist leader Cardenal is violating the right of asylum that the Costa Rican Government has granted him.

Referring to Ernesto Cardenal's statements, Minister Echeverria Brealey then added that anyone who violates the right of asylum granted by the government must be immediately expelled from the country. In answer to our question this morning regarding a government decision to expel Father Ernesto Cardenal, the minister responded: I am investigating what the Sandinist leader said about the authorities in that news conference. Should this be verified, we will proceed to expel him.

CUSTOMS OFFICER SAYS HEAVY FIGHTING IN NICARAGUA NEAR BORDER

PA300042Y San Jose Radio Reloj in Spanish 1730 GMT 29 Dec 78 PA

[Text] Reports from the customs vigilance [as heard] office near La Virgen and Sapoa reveal that one of the largest clashes took place last night near La Virgen and Sapoa between National Guardsmen and Sandinist forces. The report added that a Nicaraguan Air Force plane was apparently shot down by Sandinist forces.

The shooting lasted about 15 minutes and resembled a display of fireworks in the dark. Flames and explosions brightened the skies. The customs officer, who was an eyewitness to last night's action, submitted the following report:

[Begin recording] The National Guard apparently opened fire first and the Sandinists responded immediately. It is possible that the rebels shot down a plane flying over the area near the border. The shooting ended and there has been no further action since.

[Question] How long did the shooting last?

[Answer] About 15 minutes, more or less, but it was uninterupted. Everything is calm now, however, and there has been no further shooting. The border remains closed.

[Question] Was anybody injured in Costa Rican territory?

[Answer] No. We remained here all night but have received no information about Costa Rican casualties. I suppose there must have been many casualties on the Nicaraguan side; but, of course, that is their business.

[Question] Then it is believed that a National Guard plane was shot down by the Sandinists in last night's action?

[Answer] Well, yes. There were two planes bombing the area during the clash last night and I believe that one of them was shot down because we saw that it was hit and there was brightness in the sky. Of course, it could have been due to the heavy bombing, but the sky flared up and it is possible that one of the planes was shot down.

[Question] In other words, it was one of the largest clashes yet reported?

[Answer] Yes, there was uninterrupted heavy fighting with artillery blasts and all, just as those fired by the National Guard in our direction from Sapoa and La Virgen, where they are now located. We expect more shooting at any time. [end recording]

Nicaraguan Official Denies Report

PA3000043Y San Jose Radio Reloj in Spanish 2245 GMT 29 Dec 78 PA

[Telephone interview with Col Aquiles Aranda Escobar, chief of the Legal and Public Relations Office of the Nicaraguan National Guard on 29 December 1978; place not given--recorded]

[Text] [Question] Hello, apparently a plane, the Sandinist National Liberation Front people claim, what do you have to say about this? [sentence as heard]

[Answer] No, that report is false. There have been no confrontations and no plane has been shot down.

[Question] (?The Sandinists) reported that there was a clash yesterday at (?2030) near Sapoa and La Virgen [word indistinct] which lasted approximately 15 minutes [words indistinct]. What do you have to say about this?

[Answer] No, there has not been any because [words indistinct] I personally met today with Alejandro Orfila's delegate, Mr Juan Mimo, and with the commander of that region and they have reported absolutely nothing on the matter.

[Question] It has been reported here that you have presented some evidence of attacks from Costa Rican territory. What type of evidence was presented to the OAS representatives?

[Answer] No evidence has been presented. We merely had an informal talk with them through a dialog with the vice foreign minister of the republic, but no evidence has been presented. (?This is not) the time to present evidence [words indistinct].

[Question] Then no specific evidence was presented, merely talks today?

[Answer] Yes, because he is a personal delegate as explained by Ambassador Alejandro Orfila, who is the OAS president. [as heard]

[Question] Then, what are the foundations for your charges that the attack came from Costa Rican territory? Is there any evidence of this?

[Answer] Well, that will be done at the Foreign Ministry levels. The Foreign Ministry will state the foundations in that respect. Mr Orfila's personal delegate and Commander Bravo of the southern border left for the southern border region today at 1400 for that reason.

BRIEFS

PRIVATE TELEVISION CIRCUIT--Jack Phillips, general manager of Television Mundial (Worldwide Television, has announced that the first private television circuit in Latin America will start operating in Costa Rica in April. It will be similar to the cable television system which exists in the United States except that it will operate on radio waves and not by line. The station will carry no advertisements and the programs will be in color and in English. Although most programs will be brought from the United States, short programs on tourism will be produced locally. A decoding box will be needed to receive the signal. The station will operate on UHF on Channel 17, and the signal will be transferred to Channel 3 through the decoding box. Those who have television sets which receive Channel 17 will get the picture but not the sound because it will be under a coding system. The transmitters will be located in Cipresal, 14 km north of San Rafael de Heredia near San Jose de la Montana. It is expected that the signal will reach Grecia from Tres Rios because of conditions in the area. The station will carry a total of 200 hours air time per month. The programming will run from 1800 to 0000 on weekdays and from 1200 to 0000 on weekends. [San Jose LA NACION in Spanish 20 Dec 78 p 10-A PA]

EL SALVADOR

DEFENSE MINISTRY ANNOUNCES RETIREMENTS, NEW APPOINTMENTS

PA0120147 Madrid EFE in Spanish 1918 GMT 1 Jan 79 PA

[Text] San Salvador, 1 Jan (ACAN-EFE)--Gen Ramon Alfredo Alvarenga, the director of the Salvadoran National Guard, has been replaced by Col Jose Antonio Corletto, director of the military academy, upon Alvarenga's retirement. The change was included in a general order issued by the Defense Ministry today and is effective immediately. Corletto has been replaced by Col Roberto Cuellar Iechogoyen.

Col Jose Zeltran Luna, general transportation director, has been transferred to the brigade in San Miguel in Eastern El Salvador.

Col Benjamin Trabanino will now be deputy chief of the Presidential General Staff, replacing Col Oscar Roque Molina, who has been transferred to an unspecified administrative position.

Col Hernan Reynosa has been appointed as El Salvador's representative to the Inter-American Defense Board in Washington and Col Jose Alfredo Rodriguez Menjivar has been appointed] as military attache in Guatemala.

In addition, there were 12 voluntary and 3 compulsory retirements. The compulsory retirements include Col Joaquin Evelio Flores Amaya, who was involved in an armed attack against Maj Nicolas Solorzano in November 1978. Flores Amaya is in jail. He was captured a short time ago upon his return from Chile. Another compulsory retirement is that of Col Federico Morales, who was also involved in the Solorzano case.

FARN SETS NEW NEGOTIATING CONDITIONS FOR RELEASE OF BRITONS

PA302136Y Paris AFP in Spanish 2001 GMT 30 Dec 78 PA

[Text] San Salvador, 30 Dec (AFP)--The Armed Forces of National Resistance (FARN) guerrillas postponed the execution of Britons Ian Massie and Michael Chatterton which they had announced would take place at noon today, it was learned here. A FARN communique sent to all press media offices states: "Heeding the public appeal by the Human Rights Commission of El Salvador, the Committee of Mothers of Political and Missing Prisoners and other organizations, the FARN will disregard the deadline set for the execution of two Britons whom it is holding."

Massie and Chatterton, manager and assistant manager of the local Bank of London, were kidnaped on 30 November. According to an earlier communique, the FARN had decided to execute them "in view of the indifference of the London government and the institution for which they work," which refused to negotiate for the release of the two kidnap victims.

The FARN communique notes that they will accept the Human Rights Commission of El Salvador as mediator in the negotiations for the two Britons' release. They also requested that the London government send a representative and that the bank send a high-ranking executive so that they can contact the mediators and negotiate with the FARN. They also denounced the presence of Interpol officials sent by British authorities and the Bank of London to investigate where the kidnap victims are being held. They accused the Interpol officials of reviewing workers' lists "which is an insult to national sovereignty in general and the workers in particular."

FPL GUERRILLAS OCCUPY RADIO STATIONS

PA301839Y Panama City ACAN in Spanish 1552 GMT 30 Dec 78 PA

[Text] San Salvador, 30 Dec (ACAN-EFE)--Several radio stations in different parts of El Salvador were occupied last night by the clandestine Farabundo Marti Popular Liberation Forces (FPL). In San Vicente three armed men burst into the studios of Radio Lorenzana, tied up the four persons who were there and proceeded to broadcast a subversive message. In Zacatecoluca, three masked individuals went to Radio La Paz and, after tieing up the announcer and technician, broadcast a recorded message addressed to peasants. It is believed that other radio stations were taken over by the subversive group.

BRIEFS

NEW VENEZUELAN AMBASSADOR--Santiago Ochoa Antich, new Venezuelan ambassador to El Salvador, presented his credentials yesterday to President Gen Carlos Humberto Romero. [San Salvador LA PRENSA GRAFICA in spanish 14 Dec 78 pp 3, 82 PA]

BUDGET APPROVED--San Salvador, 21 Dec (ACAN-EFE)--In its last plenary session for the present year the Legislative Assembly today, Thursday, approved the nation's general budget for 1979, which amounts to $580.4 million. Finance Minister Rene Lopez Bertrand had submitted the draft budget on 29 November for study. The 1978 budget amounted to 500.4 million colones. [unit as received] In its last session the assembly also approved two customs franchises and various tax exemptions for French equipment and machinery that will be imported for the Punta Gorda fishing complex in La Union. The other exemptions benefit the Sperry Rand Corporation, an American company under contract with the government to install traffic lights in the capital. [Text] [Panama City ACAN in Spanish 2200 GMT 21 Dec 78 PA]

GUATEMALA

SOMOZA REPORTEDLY ATTENDS CENTRAL AMERICAN SUMMIT HERE

PA301854Y Panama City ACAN in Spanish 1230 GMT 30 Dec 78 PA

[Excerpts] Guatemala City, 30 Dec (ACAN-EFE)--The rulers of Guatemala, El Salvador, Honduras and Nicaragua--Generals Fernando Romeo Lucas, Carlos Humberto Romero, Policarpo Paz and Anastasio Somoza--held a secret meeting yesterday here to discuss Central American problems.

Although nothing has been said officially about the meeting, it was learned today in this capital that the meeting took place at the Guatemalan president's ranch in Santo Tomas, Escuintla Province, 60 km south of here.

The four Central American military rulers examined political subversion in the area where leftwing guerrillas have been especially active, particularly in Nicaragua and El Salvador.

Rumors circulated today in the Guatemalan capital to the effect that the meeting had been called at the request of Nicaraguan President General Somoza, who was anxious to give his counterparts detailed information on the conflict that his government is currently engaged in with Costa Rica.

The Public Relations Secretariat of the Guatemalan Presidency has remained completely silent yesterday and today regarding the presidential summit which reportedly was decided on by phone on Thursday. Guatemalan Presidency official spokesman Carlos Toledo Vielmann said today that he had "no knowledge of such a meeting."

According to Toledo Vielmann, President General Lucas is resting on his farm in Sebol, Alta Verapaz Province, 200 km north of here.

Government Denies Summit Took Place

PA311851Y Panama City ACAN in Spanish 1818 GMT 31 Dec 78 PA

[Text] Guatemala City, 31 Dec (ACAN-EFE)--The Guatemalan Government denied today that the presidents of Guatemala, El Salvador, Honduras and Nicaragua had met Friday in this country. According to journalist Carlos Toledo Vielmann, secretary of public relations of the presidency, "there has been no meeting of Central American presidents in our country in the past few days."

The government spokesman also said that Guatemalan President Gen Fernando Romeo Lucas Garcia has been resting since last week on his ranch in Sebol, Alta Verapaz Province, 200 km north of this capital, and that for this reason he could not have attended the alleged meeting.

Reports from Nicaragua indicated last Friday that President Gen Anastasio Somoza had traveled to "northern Central America" to meet with presidents of Guatemala, El Salvador and Honduras. According to the reports, the meeting had been held in Guatemala. It was reported yesterday in this capital that the meeting had been held at the presidential ranch in Santo Tomas, Escuintla Province.

Nonetheless, the Guatemalan Government announced today that no such meeting has been held in this country and that President Lucas has not participated in any meeting with his Central American counterparts either here or in any neighboring country.

HONDURAS

GOVERNMENT DENIES PRESIDENT ATTENDED C. AMERICAN SUMMIT

PA311744Y Panama City ACAN in Spanish 1720 GMT 31 Dec 78 PA

[Text] Tegucigalpa, 31 Dec (ACAN-EFE)--A spokesman for the Honduran Government press office, who delcined to identify himself, today firmly denied that Gen Policarpo Paz Garcia, president of the military junta, had met with his Central American colleagues on Friday.

Central American newspapers reported that on Friday Presidents Anastasio Somoza of Nicaragua, Gen Humberto Romero of El Salvador and Gen Policarpo Paz Garcia of Honduras had met somewhere in Central America.

The spokesman told ACAN-EFE: "We will not issue any formal statement regarding the report because everyone knows that Paz Garcia's alleged trip is mere press speculation." The spokesman said that the head of the Honduran military triumvirate had been busy the past 3 days preparing a New Year's speech, studying cabinet changes and awarding medals to army officers.

The meeting of Central American presidents, excepting Rodrigo Carazo of Costa Rica, was presumably held to discuss the political situation in the area, especially the revolutionary violence in Guatemala, El Salvador and Nicaragua.

GOVERNMENT EXTENDS SPECIAL PERMITS OF NICARAGUANS

PA300417Y Panama City ACAN in Spanish 0128 GMT 30 Dec 78 PA

[Text] Tegucigalpa, 29 Dec (ACAN-EFE)--The Honduran Government has decided to extend for 90 days the special permits granted to thousands of Nicaraguans who have lived in this country since the clashes which rocked Nicaragua in September. Approximately 10,000 Nicaraguans have sought refuge in Honduras. The Red Cross is assisting them in the southern Departnent of Choluteca, on the border with Nicaragua, in special camps where better permanent lodgings will be built.

The permits had only been grated for 90 days, but in view of the violent incidents increasing in Nicaragua, the government has decided to extend the refugee permits. It was also announced that many of the refugees did not comply with certain immigration regulations and they are being deported immediately.

NEW CHANGES IN CABINET, DECENTRALIZED ENTITIES ANNOUNCED

PA010236Y Panama City ACAN in Spanish 0139 GMT 1 Jan 79 PA

[Text] Tegucigalpa, 31 Dec (ACAN-EFE)--Honduras' military triumvirate headed by Gen Policarpo Paz Garcia today partially reorganized the cabinet and outlined the state's policies for next year.

The changes in the cabinet and in decentralized entities were announced in an official bulletin issued by the Government Press Office shortly before the chief of the military junta delivered the traditional New Year's speech to the nation.

The concise communique does not say if the officials, including civilians and militarymen who have been separated from their jobs, will be assigned to other posts in the government. The communique also fails to explain the reasons why they were removed.

The new finance and public credit minister is Valentin Mendoza. Carlos Manuel Zeron will be the economy minister. Virgilio Caceres will be the director of the Higher Economic Planning Council. Italo Giovanni will be in charge of the General Supply Office of the Republic and Col Jose de la Cruz Hernandez is the new postmaster. Lt Col Leonel Gutierrez Minera has been appointed director general of population and political migration and Lt Col Carlos Reyes Barahona is the new director of the Bajo Aguan project, the largest agrarian reform project in the country.

These changes, which will go into effect as of tomorrow, 1 January, mark the second time the military junta that gained power on 7 August after overthrowing chief of state Gen Juan Alberto Melgar Castro has reorganized the cabinet. Following the fall of Melgar Castro, the triumvirate in power dismissed supporters of the former president from ministries and autonomous entities.

CHIEF OF STATE REITERATES PLANS TO HOLD ELECTIONS

PA012248Y Paris AFP in Spanish 1945 GMT 1 Jan 79 PA

[By Juan Sierra Fonseca]

[Text] Tegucigalpa, 1 Jan (AFP)--Honduras' governing military junta today reiterated its intention to hold imparital, honest, guaranteed and free elections for the Honduran people so that the future course of the nation's political history will be decided by the sovereign will of the people in free elections. This is one of main statements contained in the year-end speech read to the nation last night over a radio and television network by Gen Policarpo Paz Garcia, president of the military junta.

General Paz Garcia added that "the armed forces, in carrying out the role of government, have no other interest than to hold elections and see that this decisive step for Honduras is held in the most cordial climate, the highese civic spirit and utmost respect and chivalry among the participants in the elections."

When referring to the general guidelines outlined by the armed forces government for the current year, General Paz Garcia reiterated that it would respect public opinion. "It has never been the intention of the armed forces government to run the government solely through the use of arms. On the contrary, we have tried to obtain from every sector maximum cooperation and support in performing our work," he added.

Further on he said: "We have not promised miracles, nor have we imposed unnecessary sacrifices upon our people. We have all contributed with our good will, and the result of this effort can already be seen in small and big achievements throughout the country."

"What is important," the Honduran chief of state said, "is that for several years Hondurans have been pursuing progressive goals and we are demanding more. That is the only way it can be. For this reason, governments in our times are subjected to great pressures and demands from the people and they must be prepared to face those demands."

Referring to Honduras' international policy, General Paz Garcia said: "Honduras wishes to expand its fraternal ties with other nations in an atmosphere of cordiality and respect."

"Our conflict with El Salvador," he pointed out, "is following the course outlined by the mediation. Through it we hope to reach an honorable and just solution that at the same time will allow the Central American community to resume its joint efforts to attain economic and social goals."

In relation to Nicaragua's internal crisis, the Honduran chief of state said: "This situation deserves our most careful attention for humane reasons as well as the political implications it has for Central America."

General Paz Garcia added: "Because of geopolitical imperatives, the problem has had repercussions in Honduras in the form of a large number of civilian refugees and complications created by the belligerent elements which have entered our territory with intentions contrary to our desire for neutrality and peace."

Finally he reiterated that "the Honduran Government has done its duty by declaring its neutrality, which has never meant an indifference to the problem. At the OAS we gave proof of our sincere desire to put all our efforts and good will forward in finding a solution that restores normality and peace to the neighboring country."

CENTRAL BANK PRESIDENT REVIEWS OIL PRICE HIKE

PA3000004Y Panama City ACAN in Spanish 1712 GMT 28 Dec 78 PA

[Text] Tegucigalpa, 28 Dec (ACAN-EFE)--Honduran Central Bank President Guillermo Bueso dismissed the apparent official optimism regarding the effects of the oil price increase by stating today that the consumer will ultimately pay for the gradual 14.5 percent increase in oil prices.

Following OPEC's announcement of the price increase of "black gold," appropriate officials of the military government repeatedly announced that the measure would not affect consumers because of an energy policy that will be implemented soon.

The Central Bank president categorically stated this morning that "nothing will save the Honduran consumer from paying the new prices established by the OPEC." Bueso believes that the only factors that may partially aid consumers are certain measures to be implemented soon by which the state will absorb a small portion of the oil price increase.

The official added that the new oil prices will affect the foreign exchange to be used for oil imports. He said that an expected increase in economic growth, which was 7 percent this year, is unlikely. Bueso feels that export activity in 1979 will not be too high. He said that this will have a direct, negative effect on the unfavorable balance of payments with most of the countries with which Honduras has trade relations.

He stated that the military government's economic advisers are conducting a study to establish a solid energy policy that will decrease wasteful oil consumption. He added that these advisers will begin a search for new energy sources that will partially curb oil consumption.

NICARAGUA

GOVERNMENT SPOKESMAN CONFIRMS C. AMERICAN SUMMIT MEETING

PA3104344Y Paris AFP in Spanish 2020 GMT 30 Dec 78 PA

[Text] Managua, 30 Dec (AFP)--Rafael Cano, the press secretary of Gen Anastasio Somoza's government, today officially confirmed that the four military presidents of Central America held a secret meeting on Friday. Cano, who refused to say where the meeting took place, said that the following heads of state participated: Anastasio Somoza of Nicaragua, Policarpo Paz Garcia of Honduras, Romeo Lucas of Guatemala and Humberto Romero of El Salvador.

Cano added that the meeting allowed the chiefs of state to analyze the latest events in the Central American region, and that meetings of this type are common at the end of the year. He said that what was discussed at the meeting will be revealed by President Anastasio Somoza in a speech over radio and television on 31 December.

FOREIGN MINISTER EXPLAINS STAND ON 'INVASION' OF COSTA RICA

PA291603Y Managua Domestic Service in Spanish 0005 GMT 29 Dec 78 PA

[News conference held by Nicaraguan Foreign Minister Dr. Julio C. Quintana in his office--live]

[Excerpts] I will specifically refer to the reason for this news conference, which is the press conference that the president of the republic held yesterday. The [Costa Rican] Government has tried to use it to shock the world, convoking the OAS Permanent Council--which at this hour is in permanent session in Washington--to denounce us as invaders of Costa Rican territory.

Based on President Somoza's statements, I would now like to explain yesterday's developments. The Costa Rican Government is trying to take advantage of this situation to continue (?soiling) the Nicaraguan Government's image abroad in a continuous campaign of denigration launched by international communism. Through this explanation I hope to calm the Nicaraguan people and assure them that we have no intentions of attacking Costa Rica.

Only the previous day President Somoza had instructed me to release a communique in which I was to express our government's uneasiness and concern over the attacks launched against us from Costa Rican territory. In the same document, which was released under instructions from the president, who read it before I met with (?you, members of the press), we said and affirmed that neither we Nicaraguans nor our government had any intention of attacking Costa Rica or any plans in connection with this. They are the ones attacking us by granting asylum to opponents, mercenaries and soldiers of various nationalities so they can prepare an invasion of Nicaraguan territory.

[Question] Mr Minister, you say that President Somoza's statements on Costa Rica during yesterday's news conference have been distorted. Could you tell us which of his words did the Costa Rican Government quote in asking the OAS Permanent Council currently meeting in Washington to implement the Inter-American Reciprocal Assistance Treaty (TIAR)?

[Answer] With pleasure. As is its habit, the Costa Rican Government has sought to dramatize our chief of state's words and last night presented a complaint to the OAS. The permanent council has listened to this complaint and is presently meeting to learn of the contents of the Costa Rican Government's complaint.

We are being accused of planning to invade Costa Rica, which is a distortion of President Somoza's statements. I will now read to you the text of what the President said yesterday. In the event of an invasion by the Costa Rican people, we can resort to the right of legitimate defense, even by invading Costa Rica. This final part is a possibility because, in pursuing criminals and mercenaries, the National Guardsmen or a group of soldiers might not stop precisely at the border, which is not completely demarcated. It is only human to suppose that in the event of such a pursuit they might invade Costa Rican territory. But this does not mean we are declaring [an attack] least of all the chief of state himself, who is very familiar with our international commitments. But they have turned that phrase into an act of aggression, even filing a complaint before the OAS in Washington, They are now trying to bring about a collective intervention in our country.

But there is no reason to invoke TIAR. TIAR is the Inter-American Reciprocal Assistance Treaty approved in Petropolis in 1947. Its main objective is intervention whenver a state is attacked by another state. Therefore, it would be inappropriate for Costa Rica to invoke TIAR because no attack is taking place. As I said earlier, this treaty was approved in 1947, and in 1975 there was an amendment to this inter-American treaty, which has not yet been ratified by all states. Thus, it would be inappropriate to invoke TIAR in response to the president's statements, which have no greater significance than that of expressing our government's concern and compelling obligation as well as the National Guard's unavoidable duty to repulse any invasion and if possible to capture the invaders, even if this means crossing the border, which is not yet well demarcated.

[Question] In repeating Mr Somoza's statements you said that in the event of an act of aggression by the Costa Rican people, Nicaragua would have the right to pursue them. Then you said that Costa Ricans are the ones presently attacking Nicaragua by granting asylum to those planning to invade Nicaragua. This means that the necessary condition already exists because, according to you, they are already committing an act of aggression by granting this asylum.

[Answer] They are not really carrying out an act of aggtession. There are several stages to an act of aggression. However, subversive elements who are trying to invade Costa Rican [as heard] territory are openly making preparations in Costa Rica.

To better inform you, I will provide you with all the details of the invasions that have been carried out from Costa Rican territory.

We would wait. The National Guardsmen--(?I have seen this)--have dug ditches and have filled many sacks to prevent incoming mortars from killing or wounding them. Their attitude is solely one of expectancy. Only on being invaded by this mercenary army--whose origin you are all familiar with--would we repel this attack inside our own territory. All of you, newsmen in particular, are witnesses to all the invasions we have endured from Costa Rica in recent months.

The sister Republic of Honduras has adopted security measures, has captured communist-Sandinists and sent them to Venezuela because it wants to avoid its government's complicity by sheltering or supporting--as Costa Rica is doing--these subversive elements, who are bombing us with impunity from Costa Rican territory while the Costa Rican Government, claiming that it only has pencils and not rifles, looks the other way.

[Question] Finally, could you tell us how the mediation process is doing now that Mr Bowdler has received the Liberal counterproposal? Do you have any information on what the next steps will be, or if a meeting will be held in the Dominican Republic and whether this would be the last meeting?

[Answer] U.S. Ambassador Bowdler arrived yesterday from Washington especially to pick up the Nationalist Liberalism's counterproposal to the latest document presented by the friendly cooperation commission. I suppose this document will be impartially analyzed because the commission is made up of three representatives of responsible governments. Even though on a number of unfortunate occasions the United States has interfered in our affairs, I believe that interfering in a nation, particularly a small nation such as ours, is no longer U.S. policy. I believe the other two delegates will also display a certain impartiality because the Dominican Republic suffered intervention in the days of President Johnson, and Guatemala also suffered intervention in the overthrow of President Arbenz in a period you are all very familiar with, to mention only a couple of recent instances.

FAO DISREGARDS GOVERNMENT'S COUNTERPROPOSAL

PA301929Y Panama City ACAN in Spanish 1811 GMT 30 Dec 78 PA

[Excerpts] Managua, 30 Dec (ACAN-EFE)--In a session held yesterday afternoon, Friday, the Broad Opposition Front (FAO) decided to disregard the counterproposal presented by President Anastasio Somoza's government in response to the "final proposal" drafted by the commission mediating the acute Nicaraguan crisis. The FAO reiterated that it accepts the proposal of the mediators in its entirety, disregarding the government party's counterproposal.

Spokesmen for the FAO said that they hoped the mediators' report to the OAS--which is being drafted today, Saturday, in the Dominican Republic--will reflect Nicaraguan reality.

The FAO spokesmen added that their coalition had not considered the international mediation closed but that General Somoza's government, by its rejection of the final formula, had put an end to the conciliation efforts.

PROTEST OVER KIDNAPINGS LODGED WITH COSTA RICAN GOVERNMENT

PA290435Y Managua Domestic Service in Spanish 0340 GMT 29 Dec 78 PA

[28 December 1978 Nicaraguan Foreign Relations Ministry communique--read by announcer]

[Text] The Foreign Relations Ministry hereby announces that on 27 December, Francisca Fernandez-Hall, Guatemalan ambassador to Costa Rica and person in charge of Nicaraguan affairs in that country, delivered a note of protest to the authorities of that country for the kidnaping of Nicaraguan citizens Nestor Alonso Ordonez, Santiago Sequeira, Angel Carrillo and Faustino Trigueros, who were taken to Costa Rica by force after being beaten and bound by members of the so-called Sandinist National Liberation Front [FSLN] who entered from Costa Rica in the area between boundary markers No 2, 4 and 5 and Boca de Poco Sol, respectively, in our national territory. These incidents were witnessed by many persons in the area. The Costa Rican Government has also been informed that armed groups of the FSLN who came from that country have attacked ranches in the town of El Castillo, including that of the municipal mayor, Ricardo Aragon, stealing cattle and sowing destruction and terror among the peaceful and hard-working peasants. The Nicaraguan Government has requested the immediate return of the kidnaped Nicaraguan citizens.

Managua, National District, 28 December 1978

STATE OF ALERT IN MANAGUA ORDERED IN EVENT OF DEMONSTRATIONS

PA302147Y Paris AFP in Spanish 2030 GMT 30 Dec 78 PA

[Text] Managua, 30 Dec (AFP)--Managua police commander Col Nicolas Valle Salinas today ordered a general state of alert in the event of popular demonstrations in early January. The measure was adopted after the opposition announced that it will commemorate slain leader Pedro Joaquin Chamorro from 3 to 10 January.

It has not yet been determined who attacked Chamorro, a figure who inspired all persons opposed to the regime. Chamorro's political friends have always blamed Nicaraguan President Gen Anastasio Somoza.

In turn, the army reported today that it had staged new clashes with Sandinist guerrilla forces near the city of Diriamba, in the south. No report was made on casualties of either side.

PLANES REPORTEDLY BOMB, STRAFE GUERRILLAS NEAR BORDER

PA3000045Y Buenos Aires LATIN in Spanish 0030 GMT 30 Dec 78 PA

[Text] Managua, 29 Dec (LATIN)--Nicaraguan planes bombed and strafed alleged guerrillas in Nicaraguan territory near the border with Costa Rica today, the newspaper LA PRENSA reported this afternoon, citing its correspondents in the area. The newspaper added that the bombing was intensive and lasted for more than 1 hour.

FSLN TERTIARY FACTION REPORTS 14 CASUALTIES 11-22 DECEMBER

PA3015l9Y Panama City ACAN in Spanish 1550 GMT 29 Dec 78 PA

[Text] Managua, 29 Dec (ACAN-EFE)--The Sandinist National Liberation Front [FSLN] (Tertiary faction) released a communique today, Friday, announcing that 14 guerrillas, including a Spanish priest and 2 Panamanians, were killed in clashes with the Nicaraguan National Guard between 11 and 22 December.

The list of FSLN casualties begins with the names of Spanish guerrilla priest Gaspar Barcia Laviana and hotel expert Jose Francisco Gaitan Munoz, both of whom fell in clashes with the National Guard on 11 December at the place known as El Infierno, close to the border with Costa Rica. The report adds that Panamanians Oriel Sanchez Orribasa and (?Danilo) Ponce Zavala died in a clash that occurred in Cuatro Caminos and Las Mancuernas on 18 December. Sandinists Ramon Escoto Escobar, Idelfonso Montoya and Alberto Lara Pineda also died in that clash.

Ricardo Armando Talavera, Oscar Ruiz Molina, Noel Montiel and Pastor Castillo died in other actions staged in this capital and in the town of Achuapa, close to the border with Honduras. They were members of the FSLN's "central front."

Sandinists Santos Rodriguez Baquedano and Mario Narvaez Munoz died in a clash that took place on 19 December in Aguas Zarcas, a village located in the country's northwestern sector.

The Tertiary faction communique also reports that during an action carried out in El Pajarito village, in the north, the National Guard captured peasant Eugenio Rivera Rocha.

FIDEL CASTRO ADDRESSES NATIONAL ASSEMBLY ANNIVERSARY SESSION

Roca Opens Extraordinary Session

FL012310 [Editorial Report FL] Havana Domestic Television Service in Spanish at 2256 GMT on 1 January carries live color coverage of extraordinary session of the People's Government National Assembly being held at the Karl Marx Theater in Havana City. President Fidel Castro is the announced main speaker.

As television coverage opens television announcer Manolo Ortega describes the inside of the Karl Marx Theater and the purpose of the special session. He goes on to say that this "can be said to be the main event commemorating the 20th anniversary of the triumph of the revolution." After panning the audience a couple of times, the camera focuses on the Cuban state seal. At 2259 GMT Fidel Castro and the rest of the presidency enter the theater as the audience gives a standing ovation. Seen on the presidium are Fidel Castro, Raul Castro, and other members of the PCC Politburo. The national anthem is played at 2300 GMT. The backdrop is comprised of a Cuban state seal on a red background with the Cuban flag draped to the viewer's left of the seal and the Carlos Manuel de Cespedes flag on the right of the seal.

At 2301 GMT Blas Roca Calderio opens the extraordinary session of the National Assembly dedicated to the 20th anniversary of the triumph of the revolution. He goes on to say that Cuban and foreign party leaders are attending this event. Fidel Castro is announced as the main speaker and walks to the podium amid a standing ovation and chants of Fidel! Fidel! Fidel Castro begins reading from a prepared text at 2305 GMT.

Fidel Castro Speaks

FL020021Y Havana Domestic Service in Spanish 2305 GMT 1 Jan 79 FL

[Speech by Cuban President Fidel Castro at extraordinary session of People's Government National Assembly held at Havana's Karl Marx Theater 1 January to mark the 20th anniversary of the triumph of the Cuban revolution--live]

[Text] Distinguished guests, comrade deputies to the People's Government National Assembly, compatriots: Destiny decided that following the difficult struggle of men, the triumph of the revolution in our country would take place on 1 January, a certain 1 January. And it became a reality, for the first time ever, that on the first day of a new year, after the last page of an old calendar fell, one world sank and another was born. It was not a change which lasted years but centuries, perhaps thousands of years. It was not a matter that we were as old as Greece or Rome, but the class society of exploitation and ignominy, which on that day was condemned to begin disappearing, was older than Greece and Rome themselves.

It was not without profound justification that Marx said: The coming of socialism is the end of mankind's prehistory. Perhaps not even we were fully aware what a gigantic step forward meant for the history of our country and the American Continent that 1 January 1959, which was also meant to be an extraordinary event in the development of the world revolutionary movement. Forty-one years and 2 months after the glorious October revolution, the first socialist revolution of the Western Hemisphere had begun. Four and a half centuries after the discovery of America, a society which was the result of conquest, extermination of the aboriginal population, colonization, slavery, capitalism, neocolonialism and imperialism was going to undergo its first truly profound and irreversible change. This change was taking place at the doorstep itself of the world's most powerful imperialist country.

Today when we evaluate the significance of this fact, the very least that can be done is to recall with emotion and gratitude the selflessness and modesty of the combatants who made the fulfillment of this task in Cuba's and America's history possible. One January 1959 truly marked the end of the heroic struggle which began in Yara, nearly 100 years before. Our generation played an outstanding role in the victorious conclusion of that prolonged struggle. It will be the historians who will profoundly examine the political and social phenomenon by virtue of which fell on the shoulders of our people the leading role of marching forward on the path of socialism before any other people in our long-suffering America.

This cannot possibly be explained exclusively based on circumstancial factors or through the cold and schematic interpretation of the inexorable laws governing the development of mankind's society. To the Cuban people, to their historic, difficult and lonely struggle for emancipation in the last century, to their heroic and beautiful combat traditions, to their determined will of struggle belong a merit that is impossible to diminish or underestimate. Without ideas or clear concepts, it is impossible to conduct a revolution even though objective conditions are present. In addition, without an energetic, determined, firm and intelligent struggle, to which one can add an enormous dose of (?democracy), there is no possibility of a revolution. No one can imagine worse circumstances than the ones created by the 10 March 1952 military coup in the effort to conduct such a profound and definitive social reform as the one that took place barely 7 years later.

Totally corrupt and inept governments had smashed to smithereens the people's hopes. A phase of repression, highhandedness and official violence without precedent was unleashed upon the country. Imperialist dominion in all fields was intensifying more than ever before. McCarthyism was in full rise and the cold war was contaminating the international political climate. Doubtlessly, Cuba was the nation most closely tied to U.S. dominion throughout the continent, following Puerto Rico. The landowners and bourgeois, entrusting their destiny to the imperialist might and the well-armed and well-trained repressive forces, did not even give a serious thought to the possibility of a socialist revolution in our fatherland.

But the neocolonialist regime was not only dependent upon the strength of arms. An entire system of dissemination, information and education of reactionary theories and ideas and anticommunist prejudices supported the ideological foundation of that society.

The labor organizations had been assaulted by cowardly leaders and agents employed by the reactionary forces, with full official complicity and support. The communist movement, which unquestionably was a minority in the midst of the people, was being persecuted as implacably as the ideas it advocated. It is impossible to forget those terrible days which followed the 10 March brutal coup. It was not easy to perceive a path in the dense foliage of that intricate political forest. The ideas of Marxism-Leninism were not perceived universally as the immense sun that today illuminates the path for an entire nation, but as thin rays of light which filtrated through the dense foliage, indicating, as [a] necessary compass, how to explain where it could be and what would be the revolutionary exit from that situation.

If some events subjected the stability and power of a political theory to a very difficult test, it was in 1952 in Cuba. On 10 March the national consciousness became depressed, profoundly wounding the spirit of a people, which even though it did not yet have a revolutionary political culture, resisted with all its soul the abuse, injustice, crime, taxation and force.

A people full of shame, where corruption, vice and political scheming in the neo-colonialized republic could not sweep away the seeds of heroism and love of freedom and country engendered from the time of our independence struggles at Yara, Jimaguayu, Baragua Baire, Dos Rios and Punta Brava and cultivated by the continual presence and external inspiration of human dignity which is Jose Marti. [applause]

It would not have been appropriate for Marxist-Leninist revolutionaries to be unaware of the bravery and power of these moral factors of our national character. We have been, we are and we will always be a rebellious and unyielding people. We have been, we are and we will always be a struggling and combative people. We have been, we are and will always be a patriotic people. Today we are also, and we will always be an internationalist people. [applause]

Could the tyranny installed on 10 March be eternal? Could the imperialist domination of our land be eternal? Could corruption and crime be eternal? Could merciless exploitation of our workers and peasants be eternal? Could vice and injustice be eternal? Could oppression and ignorance be eternal? Could violations of human dignity in our country be eternal? No. A thousand times no.

The power of the tyranny was based on weaponry, terror and ignorance. The power of the revolution was based on the justness of our ideas and on the people--their bravery, traditions--on their exploited workers and peasants, their noble students and poor youth. It did not matter that they were unarmed, because without money, relations or ways to acquire weapons, it was essential to begin from the position that the necessary weapons were well cared for and greased in the enemy barracks. The people needed leaders, the leaders were in the people. The people have always produced their leaders in each stage of our revolutionary struggle. It is not the leaders who forge the people, it is the people who forge their leaders. None of the men who afterwards figured at the top of the victorious lines of the rebel army on 1 January 1959 had been in military academies, nor had they ever appeared in the press. And if we make a few exceptions, none of those who later appeared in the Politburo and in the Central Committee of the party or at the top of the government were known at that time.

The bourgois press, bourgois parties and imperialism had set up other names, other figures and other leaders. Today millions of our youth and children have never even heard of them, and even many of our adults do not remember them.

But it was necessary to struggle. I repeat that without a struggle there is no revolution. Without a tenacious and unswerving struggle by the people and their revolutionary vanguard, social changes are not possible. Marxism-Leninism gives us the theory, the struggle gives us the victory, Sometimes the difficulties are incredibly difficult and bitter reverses do occur. And frequently even the form of the struggle changes. But there is only one path--to struggle, to struggle, to struggle. [applause]

In Cuba, one can categorically state that the achievement of revolutionary power was the exclusive task of our people. At that state we were not able to receive any type of outside aid, and the supply of weapons by which we waged the war was the exclusive privilege of the Batista army, which we captured in battle after battle.

It is not possible to forget the days preceding that 1 January 1959; a hard struggle was being waged throughout the country. While the clandestine combatants bravely defied death and spilled their blood up to the last moment, in the cities the rebel army with 3,000 combat-hardened and untiring combatants--which was the approximate number of armed men reached in December 1958--fought without rest and inflicted defeat after defeat on an adversary whose total forces reached about 80,000 men.

All of the people marched alongside the revolutionary army. It was an unforgettable and historic day, which we commemorate today, on which all of our workers, and above them the coterie camarilla of leading officers, fulfilling the instructions given by the rebel army, decisively participated in the campaign, joining the general strike--which paralyzed the country from one end to another--helping to wreck the coupist maneuver of imperialism and facilitating the control and disarming of the rest of the enemy units in less than 72 hours.

All the people took part in the final battle, which was a beautiful and exemplary revolutionary happening which changed our country's history for all time. At approximately this same time 20 years ago in the city of Santiago de Cuba itself, the march which began at Moncada on 26 July 1953 was reaching its goal. [applause] Now at the peoples' feet lay the destroyed tyranny which was installed on 10 March 1952.

In the report to the first party congress we conducted an examination of the revolutionary process through 1975, and on the 15th anniversary of the assault on the Moncada barracks, which was commemorated just a few months ago, we discussed important issues of international policy. We are not obliged to repeat today those topics and ideas. Which strong feelings and profound considerations, however, can the commemoration of this 20th anniversary of the revolutionary triumph provoke? First of all, it brings to mind a feeling of wholesome pride. Together we have overcome unbelievable obstacles. Together we have attained extraordinary victories in all fields. Together we have forged our Marxist-Leninist party [applause] and its combative and heroic youth, which is the chosen vanguard of fighters whose ranks are filled with the best children of our people. Together we have forged our powerful mass organizations, which are rivers of people made into a force, organization and consciousness. Together we have created our socialist state, its people's government organs, its beautiful institutions; and now we work hard at building its economic base. Together we have organized and supported the efficient and irreducible bulwark in the struggle against the enemy, which is our Interior Ministry. [applause] Together we have continued to develop and nourish with our arms and blood the glorious rebel army, [applause] the forger of the 1 January victory from whose undefeated columns of yesterday were born our gallant and undefeated Revolutionary Armed Forces of today, [applause] the people's unyielding shield, a Spartan example of internationalist spirit, a legitimate pride of the revolution to which today we pay the just tribute they deserve on the day of their biggest combat glory. [applause]

Together we have achieved enormous material, moral and social successes. Together we have elevated our fatherland to a prestigious and outstanding position in the world. Together we have plowed in history's furrow. Not only have we defended the fatherland's integrity, we have defended with unswayable firmness the integrity of our ideas. [applause] Up to 1 January the indirect adversary was imperialism, Batista the direct adversary. After January the direct adversary was imperialism. Before January we fought to become owners of our destiny; after January to defend that right and carry out the socialist revolution. Before January we were waging a simply patriotic battle; after January a battle which was also internationalist. [applause] Before January we were part of a national revolution; after January we became part of a world revolution. [applause] Before January a vanguard played the essential role in the events; starting in January the main role was played by the people. [applause]

The pages of this phase have not required less heroism than the previous one, but more heroism; for if the forms of heroism before were fundamentally individual, later they became massive.

Before only combat heroism existed; later on it became combat and work heroism. To develop a country and build socialism can be a task of many years; the other takes long decades. But the victories of peace and work are much more beautiful than the victories of war, which are always achieved at a price of blood. The glories of war, even though they might be just, can be forgotten and have no other meaning for the revolutionary than to be the bitter instrument of freedom. The glories of work are eternal.

If mankind would have been just, it would have built more monuments to work than to [word indistinct]. But work has its own indestructible monument, which is human progress and creation, and its anonymous heroes, the selfless masses of people, even though combating, winning and dying for a just cause is also the form in which at times the beautiful work of the revolutionaries is expressed and with which pages of unbeatable selflessness and magnanimity are written and the indestructible monument to progress is built. [applause]

Who can deny the immense joy that each new school, child care center, polyclinic, hospital, farm, factory, dam, irrigation system, road, port, dwelling, sports stadium, theater, movie hall, library being built in the country gives us all? Who can deny the pride felt for students attending primary and secondary schools, preuniversities, technological institutes and universities? Who can deny the pride felt for our levels of culture and education, the highest in the hemisphere? For our child mortality rate, the lowest? For our levels of health, the most efficient? For our victories in sports activities? For society without discrimination, without unemployment, without beggars, without gambling, without prostitution, without narcotics? For our workers attaining a sixth grade education? For our artistic development and our amateur performer movement?

Who can deny the happiness of each victory in the economic field, in the rapid pace of our economic development, the conditions that are being created for a surer future, even though this generation has to work hard and live in relative austerity? As absolute and exclusive owners of our economic wealth and raw materials, today we can organize, plan and direct our economic and social development with full freedom--something which cannot be said by any other state in this hemisphere. But look how we have had to struggle and force ourselves to reach and defend this right to work, to create and to take advantage of the benefits of liberty, socialism, equality, progress and social justice in our country.

Why was the empire's anger unleashed on us? It was evident that Yankee imperialism considered itself to be the absolute master of this hemisphere, and that no people of Latin America or the Caribbean had the right to choose an economic, political or social system other than its own merciless capitalism, which is underdeveloped and neocolonialized and provided to us Latin Americans, as well as its rotten and hyprocritical pseudodemocracy, or feudal oligarchy, the satrapy of the Somoza, Duvalier or Stroessner style, or the fascist recipe applied to Chile, Uruguay and other unfortunate peoples in this hemisphere. As a product of its brutal hostility and aggressive policy against the Cuban revolution, not even simple medicine to alleviate human pain or to save a life can be acquired by our country in the United States for almost 20 years now, nor can we export a single ounce of our sugar to that market.

History will consign to eternal shame those who imposed and maintained this criminal attempt at economic asphyxiation and genocide against our people. Have they perchance achieved their objectives? Neither the economic blockade, including reprisals against third countries trading with Cuba or sending their ships to our ports, nor the introduction of thousands of weapons and explosive devises, subversion, counterrevolutionary bands, pirate attacks, mercenary invasions, threats of physical aggressions, of direct aggressions and plans to kill the revolutionary leaders have prevented Cuba from today having the most advanced and the most spectacular social development on this continent.

[Applause] Many people in the world and international institutions recognize, admire and respect the achievements of our revolution.

On the other hand, after 20 years, what has been the social progress in the hemisphere? Illiteracy, unemployment, infant mortality, unsanitary housing, poor neighborhoods, prostitution, drugs, beggars, abandoned children, delinquency and crime, economic domination and looting of raw materials including many of the most outstanding minds increased in an absolute manner in the rest of Latin America. Seventy thousand patriots were killed by reactionary and repressive governments or disappeared following U.S. intervention in Guatemala to overthrow the progressive government of Arbenz 25 years ago. Tens of thousands died as a direct result of the repression in Nicaragua, El Salvador, Haiti, Chile, Uruguay, Paraguay, Brazil and other nations--the macabre fruit of the regimes conceived and adopted by the United States. Tens of millions of dead from malnutrition, curable diseases, misery, unsanitary conditions and social abandonment is the result of imperialist domination over this hemisphere over the 20 years of the Cuban revolution.

How long can such a crime continue? How long will the people tolerate this? Is it not really marvelous to be able to state today that two decades ago we were able to free ourselves from the hell of that domination? Who can now erase the example and lesson of Cuba from the map and from this hemisphere? is not the day close at hand when other peoples also shake off the yoke? Are we not perhaps able to resist for another 20 or however many times 20 is necessary without lowering our heads? [prolonged applause]

Of course, we do not think of lowering our heads, in this hemisphere or in Africa or in any part of the world. [applause] The United States insists on maintaining its criminal blockade as an instrument of pressure on Cuba.

But Cuba cannot be pressured, or intimidated, or bribed or bought. Cuba is not China, nor is it Egypt. [prolonged applause and shouting of slogans]

We live in a world of much opportunism, even of great betrayals; but we also live in a world which--despite surrenders and betrayals--sees new revolutionary bastions emerge every day. Vietnam, Laos, Angola, [applause] Mozambique, Ethiopia and Afghanistan are examples. [applause]

Will the bloody regime of Somoza be able to maintain itself on mountains of the dead? Will Pinochet be able to sustain himself for long in the face of the growing resistance of the Chilean people, despite the macabre discovery of bodies with their hands tied behind their backs with barbed wire and with bullets in their necks, which no longer permits him to hide or disguise the mysterious disappearances and his frightful crimes? Will the shah of Iran be able to withstand the resolute, massive and heroic struggle of all the people? [applause]

Despite China's present policy and its great betrayal, the world has been changing greatly for the past few decades and will continue to change. For each setback, for each step backward, for each desertion, the revolutionary victories multiply, all under the same banner--progress and socialism. [applause]

Imperialism cannot, nor will it any longer be able to, contain the inexorable course of the historical era begun with the glorious October Revolution.

Cuba is not opposed to normal commercial and even diplomatic relations with the United States. We sincerely believe that there is a need for peace and peaceful coexistence between regimes with different social systems, as stated by Lenin during the first days of the revolution. We think that today this is more important than even for human survival. This is an essential principle of socialism. However, this does not imply that the imperialists have the right to intervene and repress the revolutionary movement in any country of the world.

The United States must unconditionally suspend the economic blockade on Cuba, because it is uncivilized, arbitrary, discriminatory, hostile and aggressive. The United States must renounce its coarse strategy of utilizing the blockade as an instrument to negotiate with Cuba, because we will never accept that.

The very fact that the United States trades with the great majority of socialist countries while seeking to maintain this measure against our country constitutes profound political dishonesty, clear proof of the infinite hypocrisy in its empty rhetoric about human rights. [applause]

This is an unequivocal demonstration of its rejection of the right of self-determination of the people in this hemisphere. Who has told the United States that the Latin American peoples cannot choose socialism? [applause] Who has given it the role of gendarme and trustee of our destiny? Why should we choose as a model a capitalist society that exploits the sweat of others, discriminates against Negroes, exterminates Indians, scorns Chicanos, Puerto Ricans and other Latin Americans, prostitutes women and sexually exploits children--a society of violence, vice, alienation and crime? Who can force us to live eternally in a system that is selfish, pitiless, and condemned by history?

There are no superior races or peoples. No domination is eternal. No empire has been able to withstand its own decadence. Rome in its time was more powerful, less rancorous, less vain and more sensible.

Cuba is aware that it is fulfilling a sacred duty toward the brother peoples of this continent. Our victory was really a victory for all the Latin American people, and history will so record it. For the first time, a Latin American people successfully faced up to Yankee haughtiness, arrogance and highhandedness. [applause]

For the first time, the empire was checked at one point, at one site in our America. For the first time, expansion, political intrigue, subversion, economic measures and military actions were firmly checked. For the first time, a government existed in this part of the world against the sovereign will of the United States.

Scorn led to hatred, hatred to aggression, aggression to defeat, and defeat to respect. [applause]

Ever since, they have not looked upon our Latin American and Caribbean peoples as inferior, because they see in each of them another potential Cuba. Therefore, the freedom and respect won by Cuba, although they have not yet brought about more social changes, have already brought more freedom and more respect for all the peoples of America.

The most gifted strategists of the empire, however, believe that a revolutionary government can also be domesticated. The example of China encourages them--precisely China, whose pioneers, up to a few years ago, were trained to stick bayonets into strawmen named Kennedy, Johnson and Nixon. The imperialists feel that chauvinism is still a powerful force, that even within socialist there is national selfishness which is capable of sweeping out internationalist feeling, that their technological and financial resources are irresistible weapons to use with progressive governments which are facing economic problems.

Chauvinism, opportunism, imperialism join together expressly against Marxist-Leninism, socialism and internationalism. It is not the first time that this has occurred in the history of the revolutionary movement.

Today, for example, the Chinese leadership clique is a ferocious supporter of the economic blockade against Cuba, and it is demanding that the Yankee naval base remain in Guantanamo. The paper tiger has finally devoured the petty bourgeois ideas of the great helmsman. [applause]

Now it is no longer the United States who directly attacks Vietnam. If the Chinese Government sold the revolution in exchange for Taiwan and Western technology and credits, Cuba will never exchange a single one of its principles, neither for the Guantanamo base nor for all the gold of all the imperialist countries. [applause]

I do not know if Yankee imperialism is or is not a paper tiger, but our ideas are not paper.

China, whose people I admire because of their austerity, their revolutionary spirit and their capacity for work and sacrifice, is a great country. When they had a population of 700 million, we barely had 7 million. The huge Pacific Ocean separates them from the tiger, but only the tiny Florida Strait separates us. We could have been made to disappear in a single night during the October crisis. We do not have nuclear weapons. We do not have millions of square kilometers or tens of millions of soldiers. However, we have resisted. We have not bent. We have not surrendered. We have not sold ourselves. [applause]

Twenty years ago we occupied a trench at the front, the trench closest to the most aggressive and powerful imperialist metropolis. Not only have we defended this trench with honor and dignity, but the children of this nation have also fought and died in distant places such as Angola and Ethiopia to help other nations defeat imperialism, neocolonialism, racism and fascism. [applause] Not only has imperialism suffered a wedge in Cuba, but it has also suffered a wedge in Angola and another wedge in Ethiopia. It has suffered three wedges in 20 years. [applause]

Whether the tiger is made of paper or not, our honor, our dignity, our principles are not made of paper. [applause]

The West is trying now to use China to repeat the ill-starred adventure of Hitler's Germany against the Soviet Union. Do they perhaps realize the type of fire they are playing with this time? We are sure that the people, including the Chinese people, will never allow such a crazy thing. We will continue forward, not as a 20-year-old revolution, but as a revolution that begins again today. [applause]

If anything has ever characterized the revolution, it has been its unwavering firmness, its respect for principles, its profoundly human spirit. Our revolution never devoured any of its children, because there have never been personality cults or bloodthirsty gods. Unity, respect and comradeship have always been the rule among all revolutionaries. The Leninist standards of organization and leadership are our most precious treasures today. We face the future with the experience of 20 years and the enthusiasm of the first day. [applause]

Loyalty to the international revolutionary movement is, and will always be, the cornerstone of our foreign policy. It is wonderful to talk about our army and our victories. The dignity with which we commemorate this day fills us with pride, but we would be the most ungrateful of nations and victims of the worst type of human vanity, of that hateful and despicable chauvinism that we so much criticize, if we believe that we, solely through our own strength, would have been able to achieve this revolutionary feat, forgetting how much we owe to international solidarity following the triumph of 1 January and for 20 years of direct confrontation with Yankee imperialists.

To the great fatherland of Lenin, [applause] to its revolution, to its generous and heroic people, to its internationalist policy after 61 years of glorious history, we must express first our deep gratitude on a day like today. [applause] Our relations with the USSR are solidly united by 20 years of solidarity and friendship. A policy based on principles is worth more than millions of empty words. History is only concerned with facts.

We have always said that we would never have folded our flags. When we were in Mexico, we said on one occasion that we would be either free men or martyrs in 1956. We honored our promise. [applause] Later we proclaimed our slogan of fatherland or death, and again we honored it. We have our fatherland but we would have died rather than resign ourselves to live without it. However, if we have marched forward in victory and our people have the revolution, the fatherland, and their lives--despite the fact that for 20 years we have faced such a cruel and powerful enemy--it is due not only to our heroic and firm struggle but also--and very much so--to the valiant nation that offered us her friendly hand at crucial moments of the revolution. [applause]

Others may bite the hand from which they received and took generous help. Cuba, its children of today and its children to come, will eternally recognize and appreciate what the Soviet Union represented for our nation. [applause]

It is not necessary to blush to be honest, but it is necessary to know how to be honest Reds. [applause]

Similar statements of elemental gratitude obligate us to our brothers of the socialist community, to sincere communists all over the world, to the working class, and to the progressive forces of Latin America, Asia, Africa and Europe. Dozens of representatives from friendly states and progressive organizations from throughout the world are with us at this commemoration. To all of them, we express our most profound acknowledgment. [applause] To the heroic peoples of Vietnam and Laos, to the Palestinians, to the Arab countries that have been attacked, to the patriots of Namibia, Zimbabwe, South Africa and West Sahara, to our Latin American brothers who are struggling in several countries against aggression and fascism, to all those struggling and fighting for peace and human progress, our special greetings on this 20th anniversary. [applause]

We will be unflinchingly loyal to our principles and other revolutionary obligations. This will be the most valuable spiritual inheritance that we will leave for the future generations of our fatherland.

We would feel more satisfied in commemorating this 20th anniversary if we had known how to best utilize every year, month, day, and minute; if all our actions had been the wisest, the most intelligent. The initiatives that each one of us proposed were not always the best, but we never lacked that burning desire to do the best and the most for our people and our beloved revolution. The people, the revolution and the life of each one of us are inseparable. Man has proven that he is capable of rising to the occasion and accomplishing extraordinary feats. The revolution, with its humanity, equality, fraternity, morality and beauty, is the most extraordinary of man's feats. It makes us rise above ourselves. Life is undoubtedly a great privilege, but existence is truly worthwhile and meaningful when it is dedicated to such a noble and just cause.

When we stop for a minute to look backwards, we must gain full awareness of the great honor of our generation for having lived through this period and for having dedicated our energies to this beautiful task.

Now that we have learned so much, let us look forward as if we were just starting, in order to be better and to do more. The future is longer than the past. Today's happiness and optimism will not lead us to make the mistake of underestimating the struggle before us. Our difficulties will still be large, but we will know how to overcome them.

Revolutionaries are like a runner at history's Olympic games, at which generations pass one after the other. Like Olympic athletes carrying in their hands a torch of light, let us make the greatest efforts to reach what is before us victoriously, with honor and hope, and pass the torch to the next relay runner who is now being prepared from the ranks of our enthusiastic and heroic communist youth, to our intelligent and promising students, to our marvelous Pioneers--radiant hopes of the fatherland--to a runner better than us. [applause]

The revolutionary fatherland will never die, because we have built it and defended it with our lives, because we have known how to honor, and we will honor, our heroic watchword: Fatherland or death; we shall win. [applause]

Extraordinary Session Ends

FL020113 [Editorial Report FL] President Fidel Castro finishes his speech at 0016 GMT and is given a standing ovation and prolonged applause. There are shouts of Fidel! Fidel! from the audience, along with other cheers such as Viva Cuba! and Viva la Revolucion! National Assembly President Blas Roca then states that in accordance with the wishes expressed at this assembly, Fidel Castro's pronouncements are unanimously adopted as a resolution of the National Assembly. Roca declares the solemn session closed. Television coverage immediately ends at 0021 GMT.

U.S. SUGAR TARIFF AFFECTS UNDERDEVELOPED COUNTRIES

FL301423Y Havana Domestic Service in Spanish 1100 GMT 30 Dec 78 FL

[Text] The tariff increase on imported sugar of $0.65 per pound as decreed by North American President James Carter is the yearend gift of the United States to the sugar suppliers. The measure means that importers will have to pay, starting now, an additional tax of $0.335 per pound of raw sugar. A spokesman for the U.S. Agriculture Department stated that the decision assures a more adequate defense for the North American producers. Nevertheless, the new step directly affects more than 20 underdeveloped countries whose economies fundamentally depend on their sugar exports.

UN MISSION DENOUNCES TERRORIST ATTACK

FL292247Y Havana Domestic Service in Spanish 2213 GMT 29 Dec 78 FL

[Text] The employees of the Cuban diplomatic mission to the United Nations today condemned the terrorist attack perpetrated last night against the mission's building in the United States, where a bomb exploded. The officials held a highly emotional meeting during which they ratified their readiness to fulfill the diplomatic activities that the Cuban Government assigns to them.

The device exploded a few minutes after midnight, destroying the building's front door and numerous windows of nearby structures. No one was injured by the explosion. Minutes later, another bomb exploded at the well-known Lincoln cultural center, where hours earlier Cuban singer Elena Burke and Los Patines Combo made their debut.